FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1557123-000

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(Rev. 01-31-2003)

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 08/22/2011

To: Miami

From: Miami
PB3
Contact: [redacted] b6 b7C b7E

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 209A-MM-114622 SUB AA7 (Pending)

Title: GREATER PALM BEACH COUNTY STRIKE FORCE;
ET AL

Synopsis: To open sub-file for investigation of Med-Care Diabetic & Medical Supplies, Inc.

[redacted] b6 b7C

Details: The above captioned case was predicated by numerous beneficiary complaints received through the Medicare hotline alleging unsolicited telemarketing, services not rendered, and the complaint that beneficiaries were unable to obtain credit for returned items. Several physicians complained that the supplier was faxing physicians order forms for them to sign. The physicians stated the supplies were not medically necessary to their patients.

Med-Care Diabetic & Medical Supplies, Inc. (Med-Care) was incorporated on November 8, 1999 by [redacted] and [redacted] The State of Florida Department of Corporation revealed that Med-Care was also registered under the fictitious names of Med-Care Christian Health Network, Med-Care RX Pharmacy Christian Health Care Network, and Christian Diabetic Network.

An investigation was initiated by the National Benefit Integrity (NBI) MEDIC after complaints were received of the telemarketing of Christian Health Network, Med-Care and Platinum marketing Group. [redacted] and [redacted] are the [redacted] of Christian Health Network and Platinum Marketing Group. These two companies are telemarketing operations for Med-Care. b6 b7C

Complainant [redacted] reported to NBI MEDIC that she has had problems with Med-Care since 2008, when she received the first package of medical supplies from the company. [redacted] received supplies every three months from Med-Care but she b6 b7C

please open Sub [redacted] AA-7

209A-MM-114622-33.ec
209A-MM-53000,32-2
209A-MM-114622-AA7-1

8/25/11

refused to accept them telling the post office to return the package. Even though the delivery of these packages were being refused and returned, Med-Care continues to submit claims to [redacted] insurance plan and ultimately Medicare. b6 b7C

From 2008 until 2010, Med-Care submitted numerous claims to seven Medicare Advantage Plans totaling over $62 million. Of that, Medicare paid over $16 million and the remainder is the responsibility of the beneficiary. Five individuals have been identified that did not order, and in one case did not receive, the supplies that claims were submitted for. Two individuals reported that the supplies were returned yet a claim was still submitted.

[redacted] have criminal histories; [redacted] for securities fraud and money laundering, and [redacted] for domestic battery. Both [redacted] have had problems with the Securities and Exchange Commission as stock brokers operating in New York. They also have ties to the Gambino Crime Family in New York. b6 b7C

A Qui Tam Civil Action against Med-Care was filed on December 28, 2010 in the United States District Court for the Southern District of Florida. The Qui Tam was assigned to Civil AUSA [redacted] This case will be presented to Deputy Chief of Economic Crimes Adrienne Rabinowitz in the next few weeks for criminal purposes. b6 b7C

It is requested that sub-file AA7 be opened for this case and be assigned to SA [redacted] This case will be worked jointly with Health and Human Services-Office of the Inspector General Special Agent [redacted]

♦♦

1A/1C Report for Case: 209A-MM-5300032

1A#	Acquired By	Acquired On	Serial #	Serial Title	Summary	Record Type	
1A1	[redacted]	2012-05-14	2	(U//~~FOUO~~) TO OPEN SUB-FILE FOR INVESTIGATION OF MED-CARE	(U//~~FOUO~~) ORIGINAL NOTES RE INTERVIEW OF [redacted] HHS-IOG HOTLINE COMPLAINT DOCUMENTS FROM [redacted] RELATING TO MED-CARE	Physical	b6 b7C
1A2	[redacted]	2012-07-17	20	(U) Documenting entry of 1A envelope referencing FD-302 serial 18	(U) To document the entry of a 1A envelope dated 04/26/2012 referencing serial 18 containing original notes re interview of [redacted]	Physical	b6 b7C
1A3	[redacted]	2012-08-29	25	(U) Meeting with Attorney [redacted]	(U) Email between AUSA [redacted] and Attorney [redacted]	Digital	
1A4	[redacted]	2013-01-17	27	(U) Documenting entry of 1A envelope referencing FD-302 serial 25	(U) To document the entry of a 1A envelope dated 12/17/12 referencing serial 25 containing original notes re interview of [redacted]	Physical	b6 b7C
1A5	[redacted]	2013-10-23	30	(U) Meeting with AUSA [redacted]	(U) Amended complaint	Digital	
1A6	[redacted]	2013-06-17	28	(U) Documents received from [redacted]	(U) Med-Care prescriptions faxed to Respiratory Specialists.	Digital	

1A7		2014-01-23	32	(U) Documents received from	(U) Documents provided by attorney	Digital	b6 b7C
1A8		2014-06-23	40	(U) Mail Cover	(U) CD containing photos of Mail Cover, HHS-OIG Mail Cover ASAC approval and Postmaster Email	Digital and Physical	
1A9		2014-06-23	41	(U) United Healthcare documents	(U) CD containing documents from United Heathcare.	Physical	b6 b7C
1A10		2014-06-18	45	(U) Medicare fraud by Arriva Medical, Med-Care Diabetic & Medical Supplies, and The Doc Depot	(U) Fax from re fraudulent DME orders	Digital	
1A11		2014-07-28	49	(U) Interview of	(U) Interview notes	Physical	
1A12		2014-08-18	51	(U) Interview of	(U) Interview notes	Physical	

209A-MM-5300032-1A=

(Rev. 05-01-2008)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 06/26/2011

To:	Charlotte	**Attn:**	SSA [redacted] Raleigh RA
			SA [redacted] Raleigh RA
			SA [redacted] Cyber Squad
	Seattle	**Attn:**	Cyber SSA
			Healthcare Fraud SSA
	Baltimore	**Attn:**	Cyber SSA
			Healthcare Fraud SSA
	Detroit	**Attn:**	Cyber SSA
			Healthcare Fraud SSA
	Tampa	**Attn:**	Cyber SSA
			Healthcare Fraud SSA
	Miami	**Attn:**	SSA [redacted]
			SA [redacted]
	Criminal Investigative	**Attn:**	HCFU
	Criminal Investigative	**Attn:**	IOC

b6
b7C
b7E

From: Richmond
Squad 11
Contact: SA [redacted]

b6
b7C
b7E

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: [redacted] (Pending) [redacted]

Title: [redacted]

Synopsis: To set leads to notify of potential Healthcare and Economic Fraud violations in receiving offices' territories and request interviews be conducted of individuals contacted by individuals, who are subject's of interest in captioned case and may be engaged Healthcare and other Economic Fraud.

Administrative: 03/31/2011 Email from SSA [redacted] to SA [redacted] containing Clear report on potential [redacted]

b6
b7C

Enclosure(s): CDs for receiving HQ & Field Offices containing suspicious data related to Durable Medical Equipment (DME)

UNCLASSIFIED

209A-MM-5300032-3
~~209A-MM-114622-AA7-2~~

To: Charlotte From: Richmond
Re: [redacted] 06/26/2011 b7E

including telemarketing call with potential victims in receiving office's territory and identifiers for interviewees and persons of interest; Hard copy of potential questions.

[redacted] b6 b7C b7D b7E

[redacted] b6 b7C b7D b7E

To: Charlotte From: Richmond
Re: [redacted] 06/26/2011 b7E

[redacted] b6 b7C b7D b7E

Subsequent to execution of a search warrant on [redacted] b6
email address, e-mails were found related to [redacted] lead b7C
business and call center. His emails contained substantial amount of leads, containing personally identifiable information (PII) data, to include Diabetic leads. In addition, two emails were found containing audio files depicting "good call center calls" to diabetics in receiving office's area of responsibility (AOR).

One of the call center audio files was sent to [redacted] b6
from [redacted] Platinum Marketing Group, 5800 N. Federal Hwy, b7C
Ste 5, Boca Raton, FL, [redacted] on 4/28/2010. The call was to [redacted] in [redacted] Based on the file name of the audio file, [redacted] and the individual making the call stating his name was [redacted] the caller may be [redacted] and the call may have been made on or about 4/27/2010.

To: Charlotte From: Richmond
Re: [redacted] 06/26/2011 b7E

The caller, [redacted] states he is from the diabetics supply group and he was calling back regarding the diabetic meter they are going to send her at no cost to her. He just needed to get some missing information to include her Doctor's name and Medicare information before he could send her the meter covered by Medicare. During the call, he was able to obtain [redacted] at 1385 Medical Center Rd, Roanoke Rapids, NC, her Medicare number [redacted] and the month and day of her birth. [redacted] He also confirmed her address was [redacted] b6 b7C

Clear search of individuals with name of [redacted] b6 b7C b7E

[redacted]

Based on 2010 email exchanges between [redacted] is involved in [redacted] call center located in Florida. In one email dated 6/6/2010 from [redacted] to [redacted] and copied to [redacted] and email account [redacted] provides floor plan for 61 cubicle call center area. b6 b7C

[redacted] b7E

Clear report on [redacted] b6 b7C b7E

[redacted]

To: Charlotte From: Richmond
Re: [redacted] 06/26/2011 b7E

[redacted] b6 b7C b7E

Possible Business Application: Platinum Marketing Group LLC, 5800 N. Federal Hwy #5, Boca Raton FL 33487, 561-994-2585. Number 561-994-2585 has been linked to calls to/from [redacted] cell [redacted] b6 b7C

Query of name [redacted] revealed numerous hits in ACS to including reference in 281A-MM-64923 Serial 152. Associated serial indicated [redacted] was involved with the CATCH 22 restaurant located at 499 South Federal Highway, Boca Raton, Florida, 33432. At the time, CATCH 22 was being investigating by Boca Raton Police Department related to reports of narcotics trafficking and prostitution. The serial further stated NY FBI had information that [redacted] and the [redacted] were involved in securities frauds. NY FBI further advised [redacted] had ties to individuals involved in organized crime would be with members of the COLOMBO LCN family. Below are other serials linked to [redacted] b6 b7C

- 281A-NY-232985 Serial 669
- 281A-NY-284359-FF Serial: 3
- 318C-NY-266425 Serial 103, 175, 284
- 318E-NY-256631-302 Serial 47, 48, 51, 56, 62
- 318C-DL-100829 Serial 3, 7, 8
- 46C-AL-43953 Serial 56, 301, 311, 319
- 92L-SF-144077 Serial 2

In the email forwarded to [redacted] by [redacted] there were earlier email exchanges between [redacted] and [redacted] regarding the number of leads cleared. [redacted] as well as [redacted] were also in the "To line." [redacted] is believed to be the same individual known as [redacted] referenced in numerous serials as the [redacted] which has also been linked to individuals referenced in caption case, such as [redacted] Both [redacted] have been arrested in the past for Securities Fraud. [redacted] was the first individual arrested in Miami Division's two year FBI Undercover Operation, [redacted] which ended with the indictment and arrest of nine individuals involved in Securities Fraud in the South Florida area, 318C-MM-101580 Serial 432. [redacted] was arrested b6 b7C b7E

in 2005. In October 2009, source reported following information regarding [redacted] (318C-MM-110818 Serial 173): b6 b7C b7D

[redacted]

Below are others referenced in communications between [redacted] indicating they are part of the call center, such as email regarding floor plan for their call center. [redacted] also several hits in ACS linked him to Security Fraud Investigations, such as 318C-MM-107452. b6 b7C

- [redacted]
-
- Unknown individual using email [redacted]

[redacted] has also been linked to subject's of other 281 investigations, such as [redacted] 281A-MM-108507 and 281A-MM-112886 case. Richmond investigation revealed [redacted] and [redacted] were exchanging emails in May and June of 2009 and appeared to be obtaining leads from [redacted] Last email indicates they may be leads for auto warranties because [redacted] states in the email he assumed deal was off because he heard [redacted] was no longer doing warranties. [redacted] ends the email stating **"whatever we discussed stays between us."** Individual, who he referred to as [redacted] was cc'd on the last email. [redacted] is the email used by [redacted] and below is his signature info: b6 b7C

[redacted]

In addition to call recording provided to [redacted] by [redacted] also obtained call recordings from [redacted] originally received these attached call recordings from [redacted] Tele work Forces, [redacted] described the call recordings as "a few examples of good calls b6 b7C

that resulted in a completion/sale." She further stated "Please listen to them as part of your training."

[redacted] call records indicated he called number [redacted] identified as belonging to [redacted] on numerous occasions. Review of the four calls revealed all stated they were with the "Diabetic Network" and were conducting a survey regarding the quality of diabetic care services the individual was receiving and to determine if they qualified for a diabetic meter, 3 month testing supplies, and diabetic cook book. This service would allow them to receive their diabetic supplies through the mail as opposed to picking them up at the pharmacy. After collecting the individuals Doctor's name and address, the individual's Medicare number, date of birth, and verified their address, the caller stated they would receive a call from the supplier in the next 24 to 48 hours. b6 b7C

One individual, believed to be [redacted] located in [redacted] questioned the caller stating she already received her diabetic supplies through the mail and has had to change companies several times due to problems. She asked the caller where her company was located and caller stated Florida. The individual stated that is where Liberty was located. Liberty is one of the previous companies she dealt with and had problems. Liberty is one of [redacted] clients, who he claims ships to 250,000 people every month. b6 b7C

Below are individuals identified in the call recordings:

1. [redacted] Associated with call from [redacted] with Diabetics Supply Group regarding free meter. b6 b7C

2. [redacted] Associated with call from [redacted] with Diabetic Network.

3. [redacted] Associated with call from [redacted] with Diabetic Network.

To: Charlotte From: Richmond
Re: [redacted] 06/26/2011 b7E

4. [redacted] b6 b7C
[redacted] Associated with call from [redacted] with Diabetic Network.

- [redacted] is likely same individual who responded to Craigslist advertisement for Medical Verifying Position. Below is email found in [redacted] email. There were numerous other email responses to the Craigslist ad found in [redacted] email account.

To: [redacted]
Subject: Medical Verifying Position
Date: Wednesday, January 27, 2010 12:06 PM

Hello,

My name is [redacted] *and I would like to apply for the sale position that you have listed on Craigslist. I have a great deal of experience working with various types of individuals. I also have a great deal of experience with phone sales and I am excellent at self motivating through strong organizational skills. I am extremely friendly and outgoing and have always had a great deal of success in adapting relationship sales to every new business venture I have been involved with. I feel that I could be an outstanding fit for this position and would love the opportunity to speak to someone further! Thank you for your time and attention.* b6 b7C

Sincerely,

[redacted] b6 b7C

[redacted] resume was attached to the email and contained the following additional contact information:

[redacted]

5. [redacted] b6 b7C
[redacted]

Other reporting links [redacted] to individuals connected to organized crime groups and investigations, such as [redacted]

To: Charlotte From: Richmond
Re: [redacted] 06/26/2011 b7E

Based on [redacted] association with individuals connected b6 b7C
to Organize Crime investigations, Security Fraud, and other Economic Fraud investigations as well as Health Care Fraud (HCF) complaints regarding his partner's company Platinum Marketing Group and Liberty, RH suspects [redacted] and his associates may be engaging in or helping to facilitate Medicare/Medicaid Fraud.

RH requests receiving offices conduct interviews of individuals within their AORs who received calls from Diabetics Supply Group and Diabetic Network, call centers linked to [redacted] Also, interview their doctors subsequent to appropriate patient consent and approval. Also discuss with appropriate Subject Matter Experts (SMEs) in you division, internal or external, who can advise if there are any potential Healthcare violations being committed.

RH requests MM Cyber coordinate with OC, Healthcare , Economic Fraud and other applicable squads to determine if MM has interest in pursuing case on targets or questioning of [redacted] b6 b7C would hinder pending investigations, else RH will request interviews be conducted on [redacted] and his associates subsequent to completion of other leads and review of lead results.

RH request FBIHQ, HCFU provide guidance regarding this matter.

RH request FBIHQ, IOC-2, provide guidance and search their systems to ascertain [redacted] and below individuals b6 b7C associations with Organize Crime Groups. See enclosed attachment for additional identifiers and contact information. RH further requests phone numbers, addresses, e-mail accounts, related businesses be checked through IOC-2 and partner agency databases.

1. [redacted] b6 b7C

2.

To: Charlotte From: Richmond
Re: [redacted] 06/26/2011 b7E

b6
b7C

3. [redacted]

4. [redacted] b6 b7C

5. [redacted]

To: Charlotte From: Richmond
Re: [redacted] 06/26/2011 b7E

Background on Investigation

Captioned case was initiated on 4/30/2009 subsequent to the defacement of Virginia Department of Health Professions (VDHP) Prescription Monitoring Program (PMP) user login page. The page was replaced with an extortion message advising "if you want the database back, give me a 10 million dollars." The extortion claimed to be in possession of 8,257,378 patient records and a total of 35,548,087 prescriptions. DHP advised this was an accurate count of what was in the database. Investigation revealed IP addresses resolving back to Florida and Georgia were associated with SQL injections and transfers of identified hacker tools used to compromise the VDHP PMP system between 3/13/2009 to 4/30/2009. The latter date being the date the compromise and web defacement were discovered.

The first known suspect activity, however, started on 3/13/2009, which was a SQL injection to VDHP PMP login page originating from an Internet Protocol address (IP) assigned to account at [redacted] b6 b7C At the time the residence was being rented by [redacted] Subsequent to this compromise, other abnormal activity and hacker files were transferred from multiple IP addresses, most of which were assigned to Comcast and AT&T (formerly Bellsouth) in or near Atlanta, GA, and in or near Miami, FL. Search warrants executed at addresses associated with the transfers mentioned above determined that the majority of wireless routers at those locations were vulnerable and could be exploited by an individual nearby. [redacted] however, moved out unexpectedly without notice just prior to the search of his residence.

Subsequent to interview of [redacted] and obtaining consent to image his laptop, investigation revealed [redacted] is associated with several individuals engaged in various scams, such as Stock and Mortgage Fraud. A few of his associates have recently been charged. During the interview, [redacted] stated he worked with [redacted] at several businesses in Fort Lauderdale. [redacted] was the computer guy and he would have the skills to have committed the SQL injection. [redacted] however, stated he had no knowledge of the VDHP/PMP compromise. [redacted] last spoke with [redacted] in November 2009 and at that time, [redacted] was still involved in the mortgage/loan modification lead generation business with a company called Leads360. [redacted] stated that he met [redacted] through [redacted] LNU, later identified as [redacted] and that [redacted] was a computer savvy guy. [redacted] has setup IT functionality for his past and present b6 b7C

To: Charlotte From: Richmond
Re: [redacted] 06/26/2011 b7E

business ventures such as Treasure Coast Treasures Inc, which is a Penny Stock magazine. [redacted] also worked with [redacted] at iData as well as Worldwide Financial Resources in Boca Raton, Florida. [redacted] was the [redacted] Per [redacted] is good at writing lead generating software for mortgage/loan businesses. At the age of 21, [redacted] made a lot of money on the stock market. [redacted] described [redacted] as a shady individual. The [redacted] also known as (AKA) [redacted] who [redacted] stated was addicted to oxycontin and has been referenced as a spammer in FBI investigations. iData was another business engaged in generating mortgage leads. [redacted] former employer, [redacted] Worldwide Financial Resources, was indicted in 2009 by Newark FBI for an $11 Million Mortgage Fraud Scheme. b6 b7C

Another source, who is not in a position to testify, [redacted] b6 b7C b7D

To: Charlotte From: Richmond
Re: [redacted] 06/26/2011 b7E

LEAD(s):

Set Lead 1: (Action)

CHARLOTTE

AT RALEIGH, NC

Conduct interview of [redacted] and any other potential victims within your AOR contained in various DME related lead list on enclosed CD as deemed appropriate. Contact Industry experts and other liaison contacts within your AOR, who may be able to provide guidance on potential violations. Conduct any other actions as deemed appropriate. See attached suggested questions. b6 b7C

In March 2011, while on TDY in Richmond Division, SA [redacted] discussed captioned case with SSA [redacted] original case agent, and the current case agent, SA [redacted] Knowing SA [redacted] primarily works Economic Fraud and Healthcare Fraud in Raleigh, SSA [redacted] sought SA [redacted] guidance on information collected during captioned investigation indicating individuals identified during Richmond's caption case, who are believed to have been involved in Richmond's compromise, may be engaged in Medicare fraud, related to Durable Medical Equipment (DME). b6 b7C

[redacted] Associated with call from [redacted] with Diabetics Supply Group regarding free meter. [redacted] at [redacted] b6 b7C

The complete "DME Leads" list obtained from [redacted] email account is available for review which may contain multiple victims in your territory. This list will be provided upon request to Richmond.

Set Lead 2: (Action)

SEATTLE

AT SEATTLE, WA

To: Charlotte From: Richmond
Re: [redacted] 06/26/2011 b7E

RH requests receiving offices conduct interviews of individuals listed below and their doctors within their AORs who received calls from Diabetics Supply Group and Diabetic Network, call centers linked to [redacted]. Also discuss with appropriate Subject Matter Experts (SMEs) in you division, internal or external, who can advise if there are any potential Healthcare violations being committed. See attached suggested questions. b6 b7C

[redacted] Associated with call from [redacted] with Diabetic Network.

The complete "DME Leads" list obtained from [redacted] email account is available for review which may contain multiple victims in your territory. This list will be provided upon request to Richmond.

Set Lead 3: (Action)

BALTIMORE

AT BALTIMORE, MD

RH requests receiving offices conduct interviews of individuals listed below and their doctors within their AORs who received calls from Diabetics Supply Group and Diabetic Network, call centers linked to [redacted] Also discuss with appropriate Subject Matter Experts (SMEs) in you division, internal or external, who can advise if there are any potential Healthcare violations being committed. See attached suggested questions. b6 b7C

[redacted] Associated with call from [redacted] with Diabetic Network.

The complete "DME Leads" list obtained from [redacted] email account is available for review which may contain multiple victims in your territory. This list will be provided upon request to Richmond.

Set Lead 4: (Action)

DETROIT

To: Charlotte From: Richmond
Re: [redacted] 06/26/2011 b7E

AT DETROIT, MI

RH requests receiving offices conduct interviews of individuals listed below and their doctors within their AORs who received calls from Diabetics Supply Group and Diabetic Network, call centers linked to [redacted]. Also discuss with appropriate b6
Subject Matter Experts (SMEs) in you division, internal or b7C
external, who can advise if there are any potential Healthcare violations being committed. See attached suggested questions.

[redacted] Associated with call from [redacted] with Diabetic Network.

The complete "DME Leads" list obtained from [redacted] email account is available for review which may contain multiple victims in your territory. This list will be provided upon request to Richmond.

Set Lead 5: (Action)

TAMPA

AT TAMPA, FL

RH requests receiving offices conduct interviews of individuals listed below and their doctors within their AORs who received calls from Diabetics Supply Group and Diabetic Network, call centers linked to [redacted] Also discuss with appropriate b6
Subject Matter Experts (SMEs) in you division, internal or b7C
external, who can advise if there are any potential Healthcare violations being committed. See attached suggested questions.

[redacted]

The complete "DME Leads" list obtained from [redacted] email account is available for review which may contain multiple victims in your territory. This list will be provided upon request to Richmond.

Set Lead 6: (Action)

To: Charlotte From: Richmond
Re: [redacted] 06/26/2011 b7E

CRIMINAL INVESTIGATIVE

AT HCFU, DC

RH request FBIHQ, HCF, Unit provide guidance regarding this matter. Also, provide any additional details regarding 1/7/2011 lead sent to MM on Platinum Marketing Group from Criminal Investigative Financial Crimes Section/HCFU/Room 3915, 209-HQ-C1517272-OIG Serial 16007, regarding Health Care Fraud (HCF) complaint associated with Platinum Marketing Group.

Set Lead 7: (Action)

CRIMINAL INVESTIGATIVE

AT IOC, DC

RH request FBIHQ, IOC, search their systems to ascertain [redacted] and below individuals associations with Organize Crime Groups. b6 b7C

1. [redacted]

Other Identifiers:

Account	Type
[redacted]	Address
	Address
	Address
	Address
	Address
	Address
Fluid Communications Inc.	Business
High Bid 100 Inc.	Business
R.B.M. Holding LLC	Business

b6 b7C

To: Charlotte From: Richmond
Re: [redacted] 06/26/2011 b7E

Website Buddy Corp	Business
WSB CORP	Business
[redacted]	email
	email
	email
	email
	email
	email
	email
	email
	email
	email
	email
	Phone (Last known number)
	Phone
	Phone (Cancelled 12/2009)
	Phone
	Phone
	Phone
	Phone
	Phone
	Phone
Leadsforsale.net	url
reeltimeleads.com	url
website-buddy.com	url
www.easihost.net	url
www.sellfishingpermits.com	url
www.Southbeachfishing.com	url

b6 b7C

2. [redacted] b6 b7C

To: Charlotte From: Richmond
Re: [redacted] 06/26/2011 b7E

Business: Platinum Marketing Group
Busn Address: 5800 N Federal Hwy, Ste 5, Boca Raton, FL 33487
[redacted]

3. [redacted] b6 b7C

3.

Account	Type
Alexis Aviation	Business
Fairfax Holdings, LLC	Business
Free-Market Thinkers, LLC	Business
Gold Coast Carting, Inc.	Business
Hawa Corporation (HAWA) aka Hawa Communications, Inc. (HaawaCom), and Hawa Med, Inc. (Hawa Med)	Business
International Mining Group, LLC	Business
Leblanc & Associates, Inc.	Business
Petra Corp	Business
Shava Corporation	Business
Sheffield Group LLC	Business
[redacted]	Phone
	Phone
	Phone
	Phone
	Phone
	Phone
Ezbanc.us	url

b6 b7C

To: Charlotte From: Richmond
Re: [redacted] 06/26/2011 b7E

4. [redacted] b6 b7C

Set Lead 8: (Action)

MIAMI

AT MIAMI, FL

RH requests MM Cyber coordinate with applicable squads, such as Healthcare, Economic Fraud, and Organize Crime Squads regarding information contained in this EC. Ascertain if MM deems information worthy of pursuing investigation by MM, else advise if interviewing of subjects would hinder any MM pending investigations. If it would not, RH requests SAC concurrence for RH Agents to travel to MM to conduct interviews of [redacted] his associates and other persons of interest in caption case. b6 b7C

RH further request MM results of 1/7/2011 lead (if any investigation conducted) sent to MM on Platinum Marketing Group from Criminal Investigative Financial Crimes Section/HCFU/Room 3915, 209-HQ-C1517272-OIG Serial 16007, regarding Health Care Fraud (HCF) complaint associated with Platinum Marketing Group.

At Miami's discretion, conduct interview of [redacted] and [redacted] regarding involvement in DME Call Centers. b6 b7C

[redacted]

♦♦

(Rev. 05-01-2008)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 07/18/2011

To: Richmond **Attn:** SA [redacted] b6 b7C b7E
Squad 11

From: Tampa
Sarasota RA
Contact: SA [redacted]

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: [redacted] (Pending) - 234

Title: [redacted]

Synopsis: To report results of contact with [redacted] and [redacted] and that referenced lead is covered at this time. b6 b7C b7E

Reference: [redacted]

Enclosure(s): Business card of [redacted] DAVID/DMW printout of [redacted] DAVID/DMW printout of [redacted] DAVID/DMV printout of [redacted]

Details: Referenced lead (#5) requests that contact be made with potential victim, [redacted] and her doctor, [redacted]

Writer visited the home of [redacted] b6 b7C on Thursday July 14, 2011, as listed in the Florida DAVID/DMV (not [redacted] as interpreted by call center employee [redacted] on the recording) and encountered [redacted] at the residence in the process of loading a moving truck with her [redacted] belongings. [redacted] suddenly on 6/18/2011 and their [redacted] cell phone number [redacted] was in the process of moving her [redacted] to live with her in a new residence for both, in [redacted] (several hours away, Tampa Division, Orlando RA's AOR).

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209A-MM-5300032-4
~~209A-MM-141622-AA7-3~~

To: Richmond From: Tampa
Re: [redacted] 07/18/2011 b7E

Writer explained the purpose of the visit, and [redacted] b6 b7C stated that she is aware that [redacted] gets at least two unsolicited calls a week from somebody offering her new diabetic supplies for free, to be billed to Medicare, to include meters and test strips. [redacted] recently began intercepting the calls on visits to see [redacted] Many, she noticed were from a 561 area code, and she began telling the callers to take [redacted] off their list, and that they do not want their services or supplies. The calls kept coming.

[redacted] feeling is that this is all some kind of Medicare fraud, as [redacted] was never asked to send money anywhere, and has not experienced any kind of identify theft or suspicious activity as a result of providing personal information over the phone to the call center personnel. [redacted] said the only inconveniences she and [redacted] have experienced is the frequency of the probing calls, the boxes of unnecessary supplies piling up, and the fact that [redacted] Medicare "donut hole" reached it's limit must faster than usual in 2010, and is doing the same in 2011. [redacted] explained that because Medicare was being billed every couple of months for supplies meant to last either six months or a year, depending on the prescription provided by the doctor, [redacted] hit her cap of covered services very quickly.

[redacted] was not available for interview at that time, as she was at another relative's house in Venice while the [redacted] packed up her things. Writer made arrangements to visit [redacted] the next day in Venice and advised the [redacted] that writer would be contacting [redacted] doctor, [redacted] later that same afternoon. [redacted] stated that was fine, and gave verbal consent, as she has medical [redacted] for writer to discuss [redacted] medical records with the doctor. Writer advised that [redacted] should receive a call shortly, from the doctor, requesting consent from either [redacted] to speak with the writer about [redacted] medical history and records. [redacted] was fine with that as well.

Writer proceeded to the office of [redacted] located at 389 Commercial Court Suite A, Venice Florida. When advised that writer had a few questions about DME's and the authorization process, [redacted] laughed and immediately stated her office gets calls and faxes all day long from DME's

To: Richmond From: Tampa
Re: [redacted] 07/18/2011 b7E

requesting authorization to ship supplies to her diabetic patients, and it is "out of control".

When advised that writer was attempting to determine how these DME's obtained [redacted] information (name, phone number and even the basic fact that she is diabetic) and that it might involve an intrusion of a database somewhere, [redacted] demeanor brightened again, and she advised that she once noticed on her in-house patient care database "https://www.athenanet.athenahealth.com" a couple of months ago, that the login page did not have the "https" in front of the URL as it normally did, and that the page looked the same otherwise. [redacted] indicated that must have been the cause, a mirrored page, into which somebody plugged in the login and password and maybe gained access to patient data. [redacted] practice's specific ID number within this system (which is used by many practices nationwide for patient care tracking) is [redacted] said she had IT people scan for signs of intrusion or malware, but none was found. Writer advised while this was interesting, and noted, the time-frame in question was about a year ago, and not a couple months ago, and asked if [redacted] had any other ideas, to which she had no answer. b6 b7C

Writer then asked [redacted] to review the patient's file/records in search of a fax or notes related to DIABETIC NETWORK or DIABETICS SUPPLY GROUP. [redacted] began perusing the database on her desktop, which was turned away from the writer, and stated there was nothing from them. b6 b7C

Writer then asked her to pull all DME requests for [redacted] for the last year. [redacted] left the room saying she needed to look in the files. [redacted] returned saying there was only one recent request available, and none from the companies in question.

It should be noted, that at no time, did [redacted] mention HIPAA or request to call the patient in question to obtain consent to discuss her records with me. At the end of the interview, writer advised [redacted] that writer had in fact obtained verbal consent from the daughter with [redacted] prior to arriving, to which [redacted] shrugged and mumbled something about assuming writer's credentials were real, and that being all she needed. b6 b7C

As writer attempted to get [redacted] to walk through the DME requests listed in the database in chronological order beginning in

To: Richmond From: Tampa
Re: [redacted] 07/18/2011 b7E

January of 2010, [redacted] then appeared to locate notes in the computer indicating that the receptionist took a phone call from an alleged DME requesting contact/biographical information for [redacted] in January 2010, and faxed the patient's information (including name, date of birth, and telephone number). [redacted] appeared to become upset at her own sudden discovery, and stated the receptionists should not be sending this information out. She then quickly stated that the person no longer worked there, and she would take steps to make sure it would not happen again, and appeared to think the interview was over. b6 b7C

Writer stated she wanted to resume going through the patient's file picking up from January, 2010, and had a hard time getting [redacted] to focus on the path down which writer was attempting to direct her. b6 b7C

A registered nurse wearing a name tag [redacted] then entered the office with a stack of papers and advised [redacted] that she had located the DME forms for [redacted] as requested. [redacted] appeared confused (but not convincingly) and said she had looked but did not see them "out there". The nurse then leaned over [redacted] computer and stated that they were in the system as well, to which [redacted] stated that she was not aware of that, that they must have different screen views (again acting confused). The nurse calmly and professionally explained that they had the same system and that the hard copies were in the physical file as well as in digital form on a tab in the patient's record in the database. The nurse proceeded to show her the tab on the computer. The monitor remained turned away from the writer.

While on the surface, [redacted] initially appeared friendly and helpful, it became apparent that she was not being as forthcoming with information as she could have been. Writer reached up and took the printed copies from the nurse before [redacted] did. b6 b7C

(Writer later attempted to identify [redacted] by running all the license plates in the parking lot the next day, with no luck. Writer will attempt to identify and locate [redacted] away from the practice as she seemed interested in providing the requested information, ran the risk of making the doctor look inept and/or uncooperative and took that risk, indicating she may have more information that is of interest.)

Upon quickly scanning the five or six forms that [redacted] produced, the dates, the names of the DME's, the supplies listed

To: Richmond From: Tampa
Re: [redacted] 07/18/2011 b7E

and the prescription lengths authorized by [redacted] it became clear to the writer she was signing these authorizations for 12 months worth of supplies, any time they came in, regardless of whether or not she had signed one two months or one month, or in one case, one week earlier, to the same DME. Writer pointed this out, and [redacted] seemed to struggle with understanding the point writer was making, then said, that all she does is sign the forms the nurses leave on her desk. She stated that the nurses are responsible to pull the file, review the patient history and determine whether or not supplies are needed. When writer attempted to discuss this further, giving her the example of her patient [redacted] whose livingroom is lined with little white boxes of supplies she can't possibly ever use up, or return, because she opened the boxes, [redacted] rudely waived the writer off, saying "hold on" and began writing on a pad of paper mumbling about changes that must be made presumably in the office. b6 b7C

Writer waited quietly looking at [redacted] and once [redacted] was done writing, writer again attempted to get [redacted] to take some responsibility for the duplicate prescription authorizations going out, and simply got "there are so many of them, and I don't know if the patient has requested a change in supplier, they can do that you know, and the nurses are supposed to be checking that, I just sign them." b6 b7C

Writer advised that after thinking this all through, it seemed that one obvious benefit of this "oversight" goes to the companies that are billing Medicare over and over again for supplies that the patient does not need, but that the doctor is stating are necessary, by virtue of the prescription. That is what a prescription is; a doctor's statement of a patient's need for services, supplies or medicine.

Writer also mentioned that another potential benefactor of this scheme is whoever (call centers) is supplying the DME's with the patient's personal/doctor/Medicare information after having fished for it on the phone with the elderly patient, and/or fished for it at the doctor's office. [redacted] stated she had not really thought of that, but it made sense. Writer also added that in [redacted] case, [redacted] hit her Medicare deductible almost immediately in 2010 because of this oversight or scheme, and it was probably occurring to [redacted] other patients. b6 b7C

Because of the way the interview was unfolding, writer wondered if [redacted] might be benefitting somehow, and the only thing that makes sense, is a kick-back, from the managers of the call

To: Richmond From: Tampa
Re: [redacted] 07/18/2011 b7E

centers for faxing basic biographical information to them from her office, including the basic fact that they are diabetics, which is then used to call the patient to elicit more data, which is then supplied to the DME for their forms which the doctor never rejects or turns back, as [redacted] is doing. However, writer thinks it is more likely a case of very lax office procedures, and a lack of attention to detail on the part of the nurses and the doctors. b6 b7C

It seems to the writer, that it would be very time consuming to verify every DME request against the patient file, contact the patient each time there is an overlapping request to verify if the patient really wants to switch to the new DME, and why, then contact the DME to ask why they are requesting the prescription when the patient has a valid prescription in place and already filled for a year, and where, by the way did you get the patient's information?, etc.

When asked if she was aware of an opt-out policy for the over 65 crowd, [redacted] stated she was not aware of this. When asked about her impressions of Liberty, [redacted] stated she thought they had been bought out recently maybe by a company by the name of "CCS", and does not remember any current issues with them. [redacted] did say that they were the one DME she had to be careful to scrutinize over the years, as they were known for adding supplies onto the authorizations that were unrelated to diabetes and hidden in the form somewhere, for example, ice packs and AIC testing kits. She said she caught this once, and called a patient to verify if he had requested these supplies, and he had not. b6 b7C

Returning to the issue of the DME's and what sort of vetting of the DME authorization requests takes place, [redacted] said there is none (regulated). They receive the requests, in theory review the patient file, and if he/she is due for more supplies, or there is an indication from the patient that he/she wishes to switch suppliers for some reason, then the doctor signs and faxes back the form equivalent to a prescription, to the DME. In the case of [redacted] stated that she, [redacted] called on more than one occasion advising that she wanted to change suppliers (not what [redacted] says, see below). b6 b7C

The following day, Friday July 15, 2011, writer visited [redacted] in the presence of [redacted] Writer explained why she was there, and [redacted] who walks with a walker and was out of breath for most of the interview, indicated she understood, and stated that the number of calls she gets about her diabetic care borders on the

To: Richmond From: Tampa
Re: [redacted] 07/18/2011 b7E

ridiculous. She has been an insulin-dependant diabetic for over thirty years, and used Liberty for many years prior to switching to [redacted] practice, about ten years ago. She continued to use Liberty for a while with [redacted] and then lost track of who was supplying what, because the calls and boxes started, and eventually it became too confusing to sort out or attempt to control. [redacted] did not have a computer at her house at [redacted] and does not use email or computer-based applications. She had not heard of the 65+ opt-out either. b6 b7C

When asked if she ever called her doctor, [redacted] to pro-actively change her DME for diabetic supplies for some reason, [redacted] stated she has never done that, the stuff just keeps showing up and the phone calls keep coming. She stated she trusts [redacted] did not recall the specific phone call from DIABETIC NETWORK from 2010, but stated they all were the same, very nice people on the phone asking about her health, and offering her the newest meter around, and supplies for free. [redacted] added that she believes it is all the same group of people calling, just saying they are from different companies when they call.

To test the possible theory that [redacted] is involved, beyond just apparently blindly signing the faxed DME prescription forms, writer asked [redacted] to call [redacted] and request a referral for an endocrinologist for [redacted] since she is moving. [redacted] indicated that this was already on her list of things to do, and would do it. [redacted] does not have a cell phone, and there will be no phone numbers or property or assets in [redacted] in her name. b6 b7C

[redacted] is also going to authorize with the new doctor, without getting into detail, as to why, sole use of the Publix grocery store pharmacy in her [redacted] to fill [redacted] prescriptions once she gets set up with the new endocrinologist.

Because [redacted] will in theory be starting with a clean slate (call centers will not have her new address, phone number, doctor's name, etc. starting this week) if the calls/boxes start coming to [redacted] house, this should be a way to determine where the breach is, if expoited again i.e., new doctor via [redacted] referral (signing off on DME forms without verifying with [redacted] just as [redacted] does), or perhaps at Medicare itself (who presumably will have to have her new mailing address for statements, bills, etc. at some point) or somebody (call center managers?) with access to [redacted] etc., able to b6 b7C b7E

To: Richmond From: Tampa
Re: [redacted] 07/18/2011 b7E

see new biographical/credit information for [redacted] linked to [redacted] b6 b7C
[redacted] new [redacted]

[redacted] stated she would contact writer immediately if any boxes show up in [redacted] or if there are any calls made to her new home number from call centers/DME's regarding [redacted]

Note the website www.diabetesfl.com on [redacted] business card. It is a website related to her practice. Is it unknown if her patients login here, and potentially leave an exploitable trail, as [redacted] b6 b7C b7E

Tampa (Sarasota RA) considers this lead covered at this time, but will review any new information obtained from [redacted] for investigative relevance for Richmond as well as Tampa, and forward as deemed appropriate.

19[redacted]01

♦♦

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/28/2011

[redacted] date of birth [redacted] drivers license number [redacted] residence address [redacted] office phone number [redacted] was interviewed at his office, located at [redacted] After being advised of the identities of the interviewing agents, he provided the following information:

[redacted] advised that he is the primary care physician for [redacted] and has been for some time. He did advise that this status is currently uncertain because he recently found out in a letter from her kidney doctor that [redacted] had began using a home care physician (although he did not know the doctor's name, nor the name of the practice). The last time [redacted] saw [redacted] was in November of 2010; he had expected to see her again sometime around May (usually appointments take place 4-6 months apart) but she was late in scheduling the follow-up and was supposed to come in on Monday, July 25. [redacted] missed this appointment.

Beginning in March of 2010, around the time that [redacted] received the phone call from [redacted] (last name unknown) at DIABETIC NETWORK, [redacted] advised that his office began to receive numerous physician's order forms from durable medical equipment (DME) suppliers claiming to represent [redacted] Each implored [redacted] to sign the DME request, list the appropriate diagnosis code and the doctor's national provider identifier (NPI), and return the form via fax. Several companies faxed follow-up communications inquiring as to why their earlier requests had not been completed. [redacted] noted that receiving this many requests from such a large number of DME suppliers for one patient was highly unusual. He advised that it was not uncommon to see a patient change suppliers once in a while, but more on the order of once every year or two. After several months of multiple requests from multiple DME suppliers, [redacted] eventually instructed his staff to cease responding to these requests and to throw away any new faxes until he could confirm with [redacted] who she wanted to use as her primary DME supplier.

[redacted] advised that he had not received any phone calls from anyone representing DIABETIC NETWORK. He did reply to the first few physician order requests he received on behalf of [redacted] but he had not signed one since early 2011.

Investigation on 7/28/2011 at Canton, Michigan

File # [redacted] Date dictated 7/28/2011

by SA [redacted] SA [redacted]

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209A-MM-5300032-5

~~209A-MM-114622-AAF-4~~

[redacted] b6 b7C b7E

Below is a list of the companies who have faxed order requests to [redacted] office on behalf of [redacted] since March 2010:

Company/Contact/Website	Address	Phone/fax numbers
GOLDEN DIABETIC SUPPLY	308 W Main Street Suite 202 Smithtown, NY 11787	(ph) 877-389-1108 (fax) 631-382-8184
DIRECT DIABETIC SOURCE [redacted]	4576 N Hiatus Road Sunrise, FL 33351	(ph) 954-903-9288 866-661-2709 (fax) 954-903-9287 866-661-5704 888-908-1050
PHYSICIAN PREFERRED PHARMACY	1326 N State Road 7 Margate, FL 33063	(ph) 954-960-7360 877-697-7779 (fax) 800-670-7390
FOUR LEAF CLOVER www.4leafcloverdiabetics.net	P.O. Box 1007 3280 Highway 69 Hayesville, NC 28904	(ph) 828-389-9777 (fax) 866-948-7342
DIABETES CARE CLUB	6840 Carothers Pkwy Suite 600 Franklin, TN 37067	(ph) 800-771-6655 (fax) 800-764-4455
EXCEL DIABETIC SERVICES www.exceldiabetics.com	10800 Biscayne Blvd Suite 735 Miami, FL 33161	(ph) 888-999-8780 (fax) 888-999-4890
SENIOR MEDICAL SUPPLIES	1209 2nd Street East Sanford, FL 32771	(ph) 336-310-5154 (fax) 336-294-5893
DRUGPLACE	2201 W Sample Road Bldg 9, Suite 3A Pompano Beach, FL 33073	(ph) 800-602-4007 (fax) 800-602-4008
ARRIVA MEDICAL	4252 NW 120th Avenue Coral Springs, FL 33065	(ph) 888-216-3576 (fax) 800-720-9670

Copies of faxes from the above companies which were retained by [redacted] are enclosed in the attached 1A envelope. b6 b7C

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 07/28/2011

[redacted] date of birth [redacted] social security account number [redacted] residence address [redacted] phone number [redacted] was interviewed at her home concerning a phone call she received from DIABETIC NETWORK in 2010. Also present was [redacted] date of birth [redacted] residence address [redacted] mobile phone number [redacted] After being advised of the identities of the interviewing agents, [redacted] provided the following information:

[redacted] generally recalls a phone call she received in early 2010 from a woman who identified herself as [redacted] (last name unknown) from the DIABETIC NETWORK. Although she did not remember the specifics of the conversation, she did remember that the call was for a survey and concluded with [redacted] telling [redacted] that she qualified for a free new meter and [redacted] providing her Medicare number and doctor's information. [redacted] advised that she never received a follow-up call from a durable medical equipment (DME) supplier, nor did she ever receive the promised new meter. [redacted] said that the ONE TOUCH brand meter she currently uses has been the her only meter for two to three years. That meter was picked up at a local CVS Pharmacy by one of her [redacted] date of birth [redacted] using a prescription written by [redacted] her primary care physician.

When asked what DME supplier she currently uses, [redacted] deferred to [redacted] who handles such things for her. [redacted] advised that for some time now [redacted] has used the DIABETES CARE CLUB, an online DME supplier, for her medical equipment needs. [redacted] also advised that she believes [redacted] doctor was aware of and approved the use of DIABETES CARE CLUB.

[redacted] advised that she does not use the internet and does not have a computer or internet access in her home. Accordingly, she has never provided any personal identifying information online. [redacted] reported that she is not aware of any problems or suspicious incidents with her bank account and does not believe she has been a victim of identity theft.

Investigation on 7/21/2011 at Westland, Michigan

File # [redacted] Date dictated 7/28/2011

by SA [redacted] SA [redacted]

209A-MM-5300032-6

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~~209A-MM-114622-AA7-5~~

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 08/10/2011

[redacted] date of birth [redacted] social security account number [redacted] is an [redacted] for [redacted] at his practice located at [redacted] She contacted the Detroit Division of the Federal Bureau of Investigation (FBI) via telephone to report the following information: b6 b7C

[redacted] advised that her medical office had received physicians orders from two more durable medical equipment (DME) companies concerning [redacted] previously identified), a patient under the care of [redacted] Details of the company information is listed below.

Company/Contact/Website	Address	Phone/fax numbers
NATIONS HEALTH [redacted] caller) [redacted] fax sender)	13650 NW 8 Street Suite 109 Sunrise, FL 33325	(ph) 800-404-7180 (fax) 800-313-0934 (fax) 800-977-0601
GLOBAL MEDICAL DIRECT	14309 W 95th St. Lenexa, KS 66215	(ph) 888-405-9980 (fax) 866-480-1991

The first company to contact [redacted] office was NATIONS HEALTH. [redacted] reported that a man identifying himself as [redacted] (last name unknown) called the office on 7/29/2011; the number that appeared on the office's caller ID was [redacted] informed [redacted] that NATIONS HEALTH was now providing [redacted] with her diabetic testing supplies. Ten days later, on 8/8/2011, [redacted] office received a fax from NATIONS HEALTH listing [redacted] as the sender. This fax also indicated that [redacted] had recently ordered diabetic testing supplies from NATIONS HEALTH and requested that [redacted] sign, date and return the physician order. b6 b7C

[redacted] received a fax from the second company, GLOBAL MEDICAL DIRECT, on 8/2/2011. The one page fax did not identify a sender or list a point of contact. The faxed sheet was just a physician order for glucose testing supplies. b6 b7C b7E

[redacted] advised that her office has not responded to either company while they attempt to contact [redacted] regarding the faxes.

Investigation on 8/10/2011 at Detroit, Michigan (telephonically)

File # [redacted] Date dictated 8/10/2011

by SA [redacted]

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(Rev. 05-01-2008)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 08/10/2011

To: Richmond **Attn:** SA

From: Detroit
Squad C-6
Contact: SA

b6
b7C
b7E

Approved By:

Drafted By:

Case ID # (Pending)

Title:

Synopsis: To advise Richmond Division that lead set to Detroit concerning the captioned investigation has been covered.

Reference: b7E

Enclosure(s): FD-302 documenting 8/10/2011 phone conversation with 1A envelope containing faxed copies of physician orders received by office concerning b6 b7C

Details: On July 21 and 28, 2011, writer interviewed and respectively, in response to a lead set by Richmond Division concerning the captioned investigation. FD-302s were completed and forwarded under separate cover (see above referenced serials). Documents collected during those interviews were included in 1A envelopes 80 and 81.

On August 10, 2011, writer spoke with b6 b7C regarding physician orders faxed to office from durable medical equipment companies concerning Enclosed is an FD-302 documenting that conversation and a 1A envelope containing copies of the faxed physician orders.

As all logical investigative steps have been taken, Detroit considers this lead covered.

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209A-MM-5300032-8
~~209A-MM-114622-AA7-7~~

To: Richmond From: Detroit
Re: [redacted] 08/10/2011 b7E

LEAD(s):

Set Lead 1: (Info)

RICHMOND

AT SQUAD 11

For information and any action deemed appropriate.

♦♦

(Rev. 05-01-2008)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 08/16/2011

To: Richmond

From: Richmond
Squad 11
Contact: SA [redacted] b6 b7C b7E

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: [redacted] (Pending) -242-

Title: [redacted]

Synopsis: To document ACS hits related to DMEs referenced by Detroit in lead response.

Reference: [redacted] b7E

Details: Based on reference lead to Detroit, [redacted] Detroit conducted interview of [redacted] and her doctor, [redacted] (see above listed referenced serials). [redacted] advised during the interview that beginning in March of 2010, around the time that [redacted] received the phone call from [redacted] (last name unknown) at DIABETIC NETWORK, [redacted] office began to receive numerous physician's order forms from durable medical equipment (DME) suppliers claiming to represent [redacted] Each implored [redacted] to sign the DME request, list the appropriate diagnosis code and the doctor's national provider identifier (NPI), and return the form via fax. Several companies faxed follow-up communications inquiring as to why their earlier requests had not been completed. [redacted] noted that receiving this many requests from such a large number of DME suppliers for one patient was highly unusual. He advised that it was not uncommon to see a patient change suppliers once in a while, but b6 b7C

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209A-MM-5300032-9
~~209A-MM-114622-AA7~~

To: Richmond From: Richmond
Re: [redacted] 08/16/2011 b7E

more on the order of once every year or two. After several months of multiple requests from multiple DME suppliers, [redacted] b6 b7C eventually instructed his staff to cease responding to these requests and to throw away any new faxes until he could confirm with [redacted] who she wanted to use as her primary DME supplier.

[redacted] advised that he had not received any phone call from anyone representing DIABETIC NETWORK. He did reply to the first few physician order requests he received on behalf of [redacted] but he had not signed one since early 2011.

Below is a list of the companies who have faxed order requests to [redacted] office on behalf of [redacted] since March 2010 and related ACS hits associated with those companies:

1. GOLDEN DIABETIC SUPPLY
   308 W Main Street, Suite 202
   Smithtown, NY 11787
   (ph) 877-389-1108
   (fax) 631-382-8184

   ACS Check: no hits

2. DIRECT DIABETIC SOURCE
   [redacted] b6 b7C
   4576 N Hiatus Road
   Sunrise, FL 33351
   (ph) 954-903-9288
   866-661-2709
   (fax) 954-903-9287
   866-661-5704
   888-908-1050

   ACS Hits:
   - Case ID . : 209-BH-C53480 Serial : 93
   [redacted] b7D

3. PHYSICIAN PREFERRED PHARMACY
   1326 N State Road 7
   Margate, FL 33063
   (ph) 954-960-7360
   877-697-7779
   (fax) 800-670-7390

ACS Hits:
- Case ID . : 209A-MM-109188 Serial : 32
Complaint (FD71) regarding solicitor faxes from Diabetic DME companies located in Missouri and Florida. The faxes were sent to The MetroHealth System, Cleveland, OH.

4. FOUR LEAF CLOVER www.4leafcloverdiabetics.net
www.4leafcloverdiabetics.net
P.O. Box 1007
3280 Highway 69
Hayesville, NC 28904
(ph) 828-389-9777
(fax) 866-948-7342

ACS Hits:

- Case ID . : 209-HQ-C1517272-OIG Serial : 14603
- Case ID . : 209-HQ-C1517272-OIG Serial : 14613
Health Care Fraud (HCF) complaint(s)

5. DIABETES CARE CLUB (DE Diabetic uses this one)
6840 Carothers Pkwy, Suite 600
Franklin, TN 37067
(ph) 800-771-6655
(fax) 800-764-4455

ACS Hits:

- Case ID . : 209A-SI-57036 Serial : 17
Results of research through ACS [redacted] and open source on [redacted] b7E

[redacted]

To: Richmond From: Richmond
Re: [redacted] 08/16/2011 b7E

[redacted]

Note: Several other hits not referenced in this communication(19 total).

6. EXCEL DIABETIC SERVICES
www.exceldiabetics.com
10800 Biscayne Blvd, Suite 735
Miami, FL 33161
(ph) 888-999-8780
(fax)888-999-4890

ACS Hits:

- Case ID . : 209A-MM-C88713-U Serial : 260
MM [redacted] b7E

[redacted]

- Case ID . : 209-HQ-C1517272-OIG Serial : 783
Health Care Fraud (HCF) complaint

7. SENIOR MEDICAL SUPPLIES
1209 2nd Street East
Sanford, FL 32771
(ph) 336-310-5154
(fax)336-294-5893

To: Richmond From: Richmond
Re: [redacted] 08/16/2011 b7E

ACS Hits:

- Case ID . : 209-HQ-C1517272-OIG Serial : 18232
Complainant reported possible healthcare fraud.

- Case ID . : 209-HQ-C1517272-OIG Serial : 14496
- Case ID . : 209-HQ-C1517272-OIG Serial : 13311
Health Care Fraud (HCF) complaints

- Case ID . : 209A-LA-251870 Serial : 60
CHS regarding individual involved with the operation of Luna Medical Supply, New Hope Medical Supply, Goldberg Medical Supply, and Senior Medical Supply.

8. DRUGPLACE
2201 W Sample Road, Bldg 9, Suite 3A
Pompano Beach, FL 33073
(ph) 800-602-4007
(fax)800-602-4008

- Case ID . : 46A-PH-108009 Serial : 1
Information regarding the additional $4.6 million of the $8 million transferred through Defense Medical and Clinic are passed through to eight companies [redacted] b6 b7C and/or [redacted] including: Rockaway Investments, Inc. (Rockaway Investments), Crosslinx Corporation, P&K Enterprises, LLC (P&K Enterprises), Able Wholesalers of MD dba Able Returns (Able Returns), Drugplace, Inc. formerly Drugplace.com Inc.(**Drugplace**), PJL Limited, Inc. (PJL LTD), Preferred Prescription Plan, Inc.(Preferred Prescription Plan) and Healthcare 2000 International, Inc. (Healthcare 2000 International).

9. ARRIVA MEDICAL
4252 NW 120th Avenue
Coral Springs, FL 33065
(ph) 888-216-3576

[redacted] b7E b7D

- Case ID . : 209-HQ-C1517272-OIG Serial : 15978
- Case ID . : 209-HQ-C1517272-OIG Serial : 14240
- Case ID . : 209-HQ-C1517272-OIG Serial : 14003
Health Care Fraud (HCF) complaints

10. NATIONS HEALTH
[redacted] caller, [redacted] fax sender) b6 b7C
13650 NW 8 Street
Suite 109
Sunrise, FL 33325
(ph) 800-404-7180
(fax) 800-313-0934
(fax) 800-977-0601

ACS Hits:

- Case ID . : 209-HQ-C1517272-OIG Serial : 17943
- Case ID . : 209-HQ-C1517272-OIG Serial : 14168
- Case ID . : 209-HQ-C1517272-OIG Serial : 6026
- Case ID . : 209-HQ-C1517272-OIG Serial : 4055
- Case ID . : 209-HQ-C1517272-OIG Serial : 2214
Health Care Fraud (HCF) complaint

- Case ID . : 209A-WF-236273 Serial : 82
Interviewee who receives diabetic testing supplies from Nations Health.

- Case ID . : 209A-MM-C88713-U Serial : 390
MM [redacted] b7E

- Case ID . : 209A-MM-C88713-U Serial : 390
- Case ID . : 209A-MM-C88713 Serial : 154
- Case ID . : 209A-MM-C88713-D Serial : 363
AUSA Meeting regarding opening investigation into Health Care Fraud by nations Health and response to request by Executive Office of the United States Attorney's Healthcare Fraud coordinator in Washington, D.C.

Note: Several other hits not referenced in this communication.

To: Richmond From: Richmond
Re: [redacted] 08/16/2011 b7E

11. GLOBAL MEDICAL DIRECT
14309 W 95th St.
Lenexa, KS 66215
(ph) 888-405-9980
(fax)866-480-1991

ACS Hits:

- Case ID . : 209-HQ-C1517272-D Serial : 1103
EC by requesting concurrence for Kansas City, to travel to Portland to interview witnesses in the investigation of Global Medical Direct and Midwest Medical Services (209A-KC-92919). Investigation related to fraudulent billing to Medicare for diabetic shoe inserts.

- Case ID . : 209A-KC-92919
KC investigation into Global Medical Direct

Note: Several other hits not referenced in this communication.

♦♦

(Rev. 05-01-2008)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 08/16/2011

To: Miami **Attn:** SSA [redacted] b6 b7C
Palm Beach RA- Squad 3 (PB3)

Miami **Attn:** SSA [redacted]
SA [redacted]
Cyber - Squad CY-5

Miami **Attn:** SSA [redacted]
HCF - Squad CY-3

Miami **Attn:** SSA [redacted]
HCF - Squad CY-4

Kansas City **Attn:** SA [redacted]

Criminal Investigative **Attn:** SSA [redacted]
HCFU

From: Richmond
Squad [redacted]
Contact: SSA [redacted] b6 b7C b7E

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: [redacted] (Pending [redacted])

Title: [redacted]

Synopsis: To set leads to notify of potential Healthcare and Economic Fraud violations by individuals residing in Miami's territory and who are persons of interest in captioned case.

Reference: [redacted] b7E

UNCLASSIFIED

209A-MM-5300032-10
~~209A-MM-114622-AA7-9~~

To: Miami From: Richmond
Re: [redacted] 08/16/2011 b7E

[redacted]

Administrative: 08/18/2011 Email exchange between SSA [redacted] and SSA [redacted] 08/16/2011 Email exchange between SSA [redacted] SSA [redacted] SSA [redacted] and SSA [redacted] b6 b7C

Enclosure(s): CD for MM containing suspicious data related to Durable Medical Equipment (DME) including telemarketing call with potential victims in receiving office's territory and identifiers for interviewees and persons of interest.

Details: On 6/26/2011, referenced lead [redacted] regarding potential Healthcare and Economic Fraud violations by individuals residing in Miami's territory and who are persons of interest in captioned case was sent to various field offices, including Miami. Upon review of lead set to Miami, Richmond realized the Miami HCF squads were not included in the lead. Subsequent to speaking with SSA [redacted] CID/HCFU, regarding the information in the lead as well as results from the other field offices, he advised the activity outlined in the lead was consistent with typical Healthcare fraud schemes and suggested the MM HCF Supervisors SSA [redacted] (CY-3) and SSA [redacted] (CY-4) be contacted. b7E b6 b7C

Emails containing the original lead and lead results from other divisions were sent to both SSA [redacted] and SSA [redacted] Upon review, SSA [redacted] advised the lead should be forwarded to SSA [redacted] Palm Beach RA - Squad 3 (PB3). Platinum Marketing Group, which is associated with the potential fraudulent activity, is located in Boca Raton. Boca Raton falls within PB3 territory.

Attached is the original lead, which includes background on captioned case and information discovered during case regarding [redacted] person of interest in case. Richmond investigation revealed [redacted] is engaged in selling of lead data, which appears to be utilized in support of fraudulent activity (Securities fraud, Mortgage fraud, etc). [redacted] and his call center are located in Ft Lauderdale area. During consensual recorded conversation with CHS, [redacted] Subsequent to a search warrant on his account, Richmond discovered audio recordings of calls to diabetics and numerous diabetic lead lists. The audio recordings were being used as examples for training other call center personnel. Richmond was able to determine the recipient of the calls from the audio recordings and set leads to the applicable divisions to interview the recipient as well as their doctor. b6 b7C b7D

To: Miami From: Richmond
Re: [redacted] 08/16/2011 b7E

Based on lead results from Detroit [redacted] b6 b7C
[redacted] it appears [redacted] call center may be making calls in order to collect medicare numbers and doctor information and then selling the information to multiple DMEs. Interview of Detroit doctor [redacted] b7E
[redacted] revealed shortly after date of call to his patient he received faxes from 9 DMEs requesting the doctor sign prescriptions for meters for the patient. Review of ACS indicated hits for 8 out of the 9 DMEs. Follow-up telephonic interview with [redacted] revealed two more physicians orders from two more DMEs. One of which, Global Medical Direct and Midwest Medical Services, Kansas City currently has a pending investigation (209A-KC-92919). Further details regarding ACS Checks related to the DMEs referenced in Detroit's lead results are documented in referenced serial [redacted]

Tampa interview [redacted] has also been enclosed and conveys additional details.

In addition to the potential healthcare fraud activity, there is also potential connection to OC. [redacted] is running the call center with [redacted] Platinum Marketing Group, 5800 N. Federal Hwy, Ste 5, Boca Raton, FL. Query of name [redacted] revealed numerous hits in ACS including 281A-MM-64923 Serial 152. The serial stated [redacted] was involved with the CATCH 22 restaurant in Boca Raton, which was being investigated for reports of narcotics trafficking and prostitution. The serial further indicated [redacted] was involved in securities frauds and had ties to individuals involved in organized crime (COLOMBO LCN family). The original lead EC [redacted] contains some of the other OC connections, but not all. Query on Platinum Marketing Group revealed 1/7/2011 lead from Criminal Investigative Financial Crimes Section/HCFU/Room 3915, 209-HQ-C1517272-OIG Serial 16007, to Miami Division regarding Health Care Fraud (HCF) complaint regarding Platinum Marketing Group. b6 b7C b7E

RH Cyber is currently coordinating with MM Cyber to travel to MM and interview [redacted] and others. RH, however, wants to see if MM is interested in assessing this information for a potential Healthcare Fraud case prior to conducting interview. Thus, RH request MM HCF Squads and PRA review information provided to include referenced serials to determine if MM wishes to pursue HCF case. b6 b7C

RH also request KC review information provided to determine if information could assist in pending KC investigation (209A-KC-92919).

Subsequent to review, please contact SSA [redacted] to further discuss investigative actions. Richmond has no nexus at this time to b6 b7C

To: Miami From: Richmond
Re: [redacted] 08/16/2011

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b7E

pursue the fraudulent activity but investigation by MM and/or KC could help to ascertain [redacted] involvement or knowledge regarding Richmond's compromise. Per SA [redacted] who was assigned initial lead (Serial 228), MM provided SAC concurrence for Richmond to travel to Miami to conduct interviews of persons of interest in captioned case. RH anticipates traveling to MM on or about the end of September to conduct interviews.

To: Miami From: Richmond
Re: [redacted] 08/16/2011 b7E

LEAD(s):

Set Lead 1: (Action)

MIAMI

AT PALM BEACH, FL

At PRA RH request PRA review information provided and referenced serials to determine if PRA wishes to pursue HCF case. Subsequent to review, please contact SSA [redacted] to further discuss investigative actions, such as joint interviews in September, in support of RH captioned Intrusion case and MM HCF case if opened. Also coordinate with MM Cyber squad, CY-5 SA [redacted] who is assigned to the original lead. b6 b7C

RH further request MM provide results of 1/7/2011 lead (if any investigation conducted) sent to MM on Platinum Marketing Group from Criminal Investigative Financial Crimes Section/HCFU/Room 3915, 209-HQ-C1517272-OIG Serial 16007, regarding Health Care Fraud (HCF) complaint associated with Platinum Marketing Group.

Set Lead 2: (Information Only)

MIAMI

AT PALM BEACH, FL

At Cyber: Read and Clear.

Set Lead 2: (Information Only)

MIAMI

AT MIAMI, FL

At CY-3: Read & Clear.

Set Lead 3: (Information Only)

MIAMI

AT MIAMI, FL

At CY-3: Read & Clear.

To: Miami From: Richmond
Re: [redacted] 08/16/2011 b7E

Set Lead 4: (Action)

KANSAS CITY

AT KANSAS CITY, MO

RH request KC review information provided and referenced serials to determine connections if any to pending investigation 209A-KC-92919. Subsequent to review, please contact SSA [redacted] to further discuss. b6 b7C

Set Lead 4: (Info)

CRIMINAL INVESTIGATIVE

AT HCFU, DC

Read & Clear.

♦♦

209A-MM-114622-AA 7

[redacted]

b6
b7C

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/21/2011

On December 21, 2011, SA [redacted] contacted [redacted] via telephone based on information provided by Assistant United States Attorney [redacted] related to MED-CARE DIABETIC & MEDICAL SUPPLIES (MED-CARE). After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information: b6 b7C

[redacted] at [redacted] telephone number [redacted] On December 9, 2011, [redacted] received a fax from MED-CARE requesting [redacted] to determine medical necessity and to sign a prescription for [redacted], telephone number [redacted] The prescription was for continuous positive airway pressure (CPAP) replacement supplies and the preference of a mask. The diagnosis written on the prescription was Obstructive Sleep Apnea.

[redacted] is a patient of [redacted] however, [redacted] does not have Obstructive Sleep Apnea nor has [redacted] ever prescribed a CPAP machine for him. [redacted] contacted [redacted] and was told that MED-CARE contacted [redacted] asking for his primary care physician's information. MED-CARE was requesting that [redacted] sign a prescription for replacement supplies for a CPAP machine even though [redacted] did not have a CPAP machine to begin with. b6 b7C

[redacted] office contacted MED-CARE to let them know that [redacted] did not need the replacement supplies nor did he have Obstructive Sleep Apnea. [redacted] was told by MED-CARE that [redacted] must have contacted MED-CARE.

[redacted] provided, via email, copies of the fax from MED-CARE sent to his office. The copies provided by [redacted] will be maintained in the 1A section of the investigative file.

Investigation on 12/21/2011 at (telephonically)

File # 209A-MM-114622-AA7-12 Date dictated

by SA [redacted] b6 b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

209A-MM-5300032-13

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/22/2011

On December 22, 2011, SA [redacted] contacted Medicare beneficiary [redacted] at [redacted] After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information: b6 b7C

[redacted] was very angry that he was contacted by the Federal Bureau of Investigation (FBI) because he does not like the police or the FBI. SA [redacted] advised him that she only wanted to ask him a few questions about a durable medical equipment (DME) company, MED-CARE DIABETIC AND MEDICAL SUPPLIES INC. (MED-CARE) who was sending prescriptions to be signed by his doctor for supplies he did not need.

[redacted] has never called MED-CARE, however, he has received multiple calls from DME companies over the years. [redacted] provided no further information.

Investigation on 12/22/2010 at (telephonically)

File # 209A-MM-114622-AA7-13 Date dictated

by SA [redacted] b6 b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

209A-MM-5300032-14

209A-MM-5800032-15

~~209A-MM-114633 Serial 14~~

[redacted]

SA [redacted]

SSA [redacted]

Saved as:

[redacted]

[redacted]

b6
b7C

Re: patient

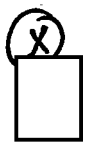
[redacted] b6 b7C

Sent: Tuesday, April 03, 2012 10:24 AM

To: [redacted]

Thank you for letting me know!

From [redacted]
To [redacted]
Sent: Tue Apr 03 10:21:07 2012
Subject: patient



[redacted]

FYI:

My partner has a mentally disabled patient whose sister called Med-Care and asked them to stop sending her information and/or calling.

Nevertheless they sent this office a request after that call.

[redacted]

(Rev. 05-01-2008)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE **Date:** 04/11/2012

To: Miami **Attn:** SSA [redacted]
SA [redacted]
Palm Beach RA- Squad 3 (PB3)

Miami **Attn:** SSA [redacted]
SA [redacted]
Cyber - Squad CY-5

Cyber **Attn:** SSA [redacted]
CCS/CIU-1

From: Richmond
Squad 11
Contact: SSA [redacted]

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: [redacted] (Pending)
209A-MM-114622-AA7 (Pending)

Title: [redacted]

GREATER PALM BEACH COUNTY STRIKE FORCE;
ET AL

Synopsis: Request SAC concurrence for SSA [redacted] Richmond Division, to travel to Miami Division to interview potential witnesses and persons of interest in captioned case. Also request CyD funding for travel.

Reference: [redacted]

UNCLASSIFIED

209A-MM-5300032-16
~~209A-MM-114622-AA7~~ 15

To: Miami From: Richmond
Re: [redacted] 04/11/2012

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b7E

[redacted]

Administrative: 03/23/2012 Telcal between SSA [redacted] and SSA [redacted] 3/28/2012 email exchange between SSA [redacted] SSA [redacted] SSA [redacted] SSA [redacted] SA [redacted] and SA [redacted]

Enclosure(s): CD for MM containing Clear reports for individuals to be interviewed.

Details: Richmond seeks SAC concurrence for SSA [redacted] to travel to Miami Division to conduct interviews of below individuals who may have been involved in or have knowledge of compromise of Department of Health Professions (DHP) Prescription Monitoring Program (PMP).

b6
b7C

1) Name [redacted]
DOB:
SSN:
Address: [redacted]

2) Name [redacted]
DOB:
SSN:
Address: [redacted]

3) Name [redacted]
DOB:
SSN:
Address: [redacted]

4) Name: [redacted]
DOB:
SSN:
Address: [redacted]

5) Name [redacted]
DOB:
SSN:
Address: [redacted]

6) Name [redacted]
DOB:
SSN:
Address: [redacted]

7) Name: [redacted]

To: Miami From: Richmond
Re: [redacted] 04/11/2012

b6
b7C
b7E

DOB: [redacted]
SSN:
Address:

If necessary and time permits, the following additional individual will also be interviewed:

Name
DOB:
SSN:
Address:

Name:
DOB:
SSN:
Address:

Name:
DOB:
SSN:
Address:

Background: Captioned case was initiated on 4/30/2009 subsequent to the defacement of Virginia Department of Health Professions (VDHP) Prescription Monitoring Program (PMP) user login page. The page was replaced with an extortion message advising "if you want the database back, give me a 10 million dollars." The extortion claimed to be in possession of 8,257,378 patient records and a total of 35,548,087 prescriptions. DHP advised this was an accurate count of what was in the database. Investigation revealed IP addresses resolving back to Florida and Georgia were associated with SQL injections and transfers of identified hacker tools used to compromise the VDHP PMP system between 3/13/2009 to 4/30/2009. The latter date being the date the compromise and web defacement were discovered.

The first known suspect activity, however, started on 3/13/2009, which was a SQL injection to VDHP PMP login page originating from an Internet Protocol address (IP) assigned to account at [redacted] b6
At the time the residence was being rented by [redacted], born [redacted] b7C
Subsequent to this compromise, other abnormal activity and hacker files were transferred from multiple IP addresses, most of which were assigned to Comcast and AT&T (formerly Bellsouth) in or near Atlanta, GA, and in or near Miami, FL. Search warrants executed

To: Miami From: Richmond
Re: [redacted] 04/11/2012 b7E

at addresses associated with the transfers mentioned above determined that the majority of wireless routers at those locations were vulnerable and could be exploited by an individual nearby. [redacted] however, moved out unexpectedly without notice just prior to the search of his residence.

Subsequent to interview of [redacted] and obtaining consent to image his laptop, investigation revealed [redacted] is associated with several individuals engaged in various scams, such as Stock and Mortgage Fraud. A few of his associates have recently been charged. During the interview, [redacted] stated he worked with [redacted] at several businesses in Fort Lauderdale. [redacted] was the computer guy and he would have the skills to have committed the SQL injection. [redacted] however, stated he had no knowledge of the VDHP/PMP compromise. [redacted] last spoke with [redacted] in November 2009 and at that time, [redacted] was still involved in the mortgage/loan modification lead generation business with a company called Leads360. [redacted] stated that he met [redacted] through [redacted] later identified as [redacted] and that [redacted] was a computer savvy guy. [redacted] has setup IT functionality for his past and present business ventures such as Treasure Coast Treasures Inc, which is a Penny Stock magazine. [redacted] also worked with [redacted] at iData as well as Worldwide Financial Resources in Boca Raton, Florida. [redacted] was the [redacted] b6 b7C

The [redacted] of Worldwide Financial Resources, [redacted] was indicted in 2009 by Newark FBI for an $11 Million Mortgage Fraud Scheme. The [redacted] of iData is [redacted] also known as (AKA) [redacted] who [redacted] stated was addicted to oxycontin and has been referenced as a spammer in FBI investigations. iData was another business engaged in generating mortgage leads. Analysis conducted by FBI Richmond, [redacted] revealed between 7/15/2009 and 8/12/2009, 26 account holders and 21 financial institutions were victims of check fraud by [redacted] Computer generated fraudulent checks were made out to [redacted] doing business as aQurant and The Diesel Group. Approximate total financial loss was $9,792.40. The fraudulent checks were deposited into two Wachovia Bank Accounts opened by [redacted] claimed his businesses are associated with sales of non-prescription and prescription pharmaceuticals via numerous undisclosed websites. b6 b7C

Per [redacted] is good at writing lead generating software for mortgage/loan businesses. At the age of 21 [redacted] made a lot of money on the stock market. [redacted] described [redacted] as a shady individual. Another source, who is not in a position to testify, b6 b7C b7D

[redacted]

To: Miami From: Richmond
Re: [redacted] 04/11/2012 b7E

[redacted] b6 b7C b7D

During subsequent interview with [redacted] it was learned that in April or May of 2008, [redacted] told [redacted] that he hacked into Scottrade and downloaded the entire database of Scott Trade clients. [redacted] sent [redacted] a sampling of the records, which [redacted] referred to as leads, to see if [redacted] could find a buyer for the data. [redacted] sent the sample leads to a few of his contacts in the banking industry, such as [redacted] and [redacted] On or about July or August 2008, [redacted] associate [redacted] bought the list for $5000. [redacted] gave the $5000 to [redacted] and [redacted] provided two compact diskettes containing the two million records of Scottrade data and paid [redacted] $2000. [redacted] stated there were approximately 2 million records on the CDs he provided to [redacted] Lead was sent to SL Division regarding this information. b6 b7C

SL spoke with Scottrade representatives who determined that [redacted] was a legitimate Scottrade customer with an account in good standing. Scottrade did report that a third party company they hired to search the Internet for any information related to Scottrade.com had located an individual who was advertising a database of 1.03 million Scottrade.com users for sale for $300.00. SA [redacted] opened a case on the matter and [redacted] b6 b7C b7D b7E

[redacted]

SA [redacted]

[redacted]

b7D
b7E

Review of emails from Hotmail email account that were seized pursuant to a search warrant, revealed an extremely large volume of lead list containing personally identifiable information (PII). In addition, emails were discovered regarding Scottrade, where claimed he had 10 million Scottrade records and was trying to sell the information to an individual in the United Kingdom, on 3/11/2008. Other email exchanges indicate is He provided a sample of the list (9 records) to on 3/10/2008. In his 3/10/2008 email to stated they were samples from the s-trade list and there were about 1.1 million records in all. This list was different than the one he provided to This sample contained individuals with UK email addresses. The email containing the 41 sample sent to by on 05/13/2008 was also found. Both the records sent to and contained the Scottrade.com URL at the end of each record.

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In addition, an email was discovered containing an attachment called txt. The attachment contained 111 records, which were identical to as well as the sample records sent to The txt records, however, did not contain the Scottrade.com URL. The email containing the txt attachment was sent by to on 4/23/2008. Further queries on within email, revealed emails indicating is Other emails found in email utilized by were and FBI Richmond believes this is the same as noted above.

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b6
b7C
b7D
b7E

To: Miami From: Richmond
Re: [redacted] 04/11/2012

[redacted] b6 b7C b7D b7E

Subsequent to execution of a search warrant on [redacted] email address, e-mails were found related to the sale of a substantial amount of leads for debt consolidation, auto warranties, DMEs, etc. On 6/26/2011, referenced lead (serial 228 & 244) regarding this potential Healthcare and Economic Fraud violations by [redacted] and his associates were sent to Miami HCF squads and SSA [redacted] CID/HCFU. SSA [redacted] advised the activity outlined in the lead was consistent with typical Healthcare fraud schemes. Subsequent to sending the lead to MM, SSA [redacted] began coordinating with SA [redacted] on SSA [redacted], Palm Beach RA - Squad 3 (PB3), and SA [redacted] with HHS in Miami regarding [redacted] possible involvement in HCF. b6 b7C

In addition to the potential healthcare fraud activity, there is also potential connection to OC. [redacted] is running the call center with [redacted] Platinum Marketing Group, 5800 N. Federal Hwy, Ste 5, Boca Raton, FL. Query of name [redacted] revealed numerous hits in ACS including 281A-MM-64923 Serial 152. The serial stated [redacted] was involved with the CATCH 22 restaurant in Boca Raton, which was being investigated for reports of narcotics trafficking and prostitution. The serial further indicated [redacted] was involved in securities frauds and had ties to individuals involved in organized crime (COLOMBO LCN family). The original lead EC [redacted] b6 b7C b7E

contains some of the other OC connections, but not all. Query on Platinum Marketing Group revealed 1/7/2011 lead from Criminal Investigative Financial Crimes Section/HCFU/Room 3915, 209-HQ-C1517272-OIG Serial 16007, to Miami Division regarding Health Care Fraud (HCF) complaint regarding Platinum Marketing Group.

On 3/8/2012, SSA [redacted] was contacted by SA [redacted] b6 b7C b7E with NO FBI. He advised he was working a Public Corruption investigation, 194B-NO-71282, that has led to connections to [redacted] An individual by the name of [redacted] who was [redacted] called Home Solutions of America, was providing kickbacks to [redacted] a public official. [redacted] was also engaged in a pump and dump scheme. [redacted] investigation of [redacted] led to [redacted] close association with [redacted] and [redacted] involvement in stock promoting with [redacted] Interview of [redacted] revealed [redacted] has known [redacted] since the mid or late 90s. [redacted] was a former stock floor trader and involved in the mob. [redacted] went to jail for conducting illegal stock sales. [redacted] would meet with [redacted] when he would travel to Miami and West Palm Beach. [redacted] a bar in West Palm Beach called "TICKER." (See reference serial [redacted]

[redacted] and some of his other associates have also been linked b6 b7C b7D to a TARP (Troubled Asset Recovery Program) IG investigation. On 11/17/2011, SSA [redacted] learned that SA [redacted] with TARP IG is working a fraud scheme being prosecuted in Boston with IRS CID and that her investigation revealed connections to [redacted] She was informed during a proffer that [redacted] On 12/12/2011, SSA [redacted] met with SA [redacted] to discuss cases. A follow-up meeting was held on 1/5/2012. Below is summary regarding SA [redacted] investigation and connection to [redacted]

[redacted] b6 b7C b7D

To: Miami From: Richmond
Re: [redacted], 04/11/2012

b6
b7C
b7D
b7E

[redacted] If they do, more information could be obtained regarding [redacted] and his activities.

Other individuals connect to SA [redacted] investigation are:

[redacted]

b6
b7C
b7D
b7E

Subsequent to querying FBI records, SSA [redacted] determined [redacted] was referenced in [redacted] (See reference FD302 of [redacted] interview [redacted]

b6
b7C
b7E

[redacted] is currently cooperating with SA [redacted] SA [redacted] has advised she has no objections to SSA [redacted] interviewing [redacted] to regarding his knowledge of Richmond compromise and his relationship with [redacted]

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The other person of interest in Richmond investigation is [redacted] Investigation has revealed connection between [redacted] and [redacted] is [redacted] of Bio-Tech Medical Software Inc (hereafter referred to as Bio-Tech), BioScriptRX.com, a competitor software to software utilized by the State of Virginia's Prescription Monitoring Program, which was

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compromised. [redacted] and Bio-Tech are located in Ft Lauderdale, Florida, less than 5 miles from the first identified suspect IP, [redacted] targeting the DHP servers, [redacted] residence. [redacted] and his associates were promoting the benefits of their program during the time of the compromise. They claim that their biometric scanning of fingerprints is a better solution over current systems that put individuals records on-line making them vulnerable to compromise. [redacted] has even commented on-line regarding captioned case PMP compromise. [redacted] who listed the same residential address as [redacted] at the time of the compromise, is also affiliated with Bio-Tech and other businesses connected to [redacted] b6 b7C

In the Palmbeachpost.com article, Republican lawmaker Carl Domino of Jupiter, Florida, is sponsoring the bill to require Pharmacies to buy the biometric identification equipment by Bio-Tech produces. Bio-Tech took the legislation to Domino. The article also mentions that "Bio-Tech [redacted] contributed more than $50,000 to the National Republican Congressional Committee during the past two years and contributed $1,000 to Domino's 2008 reelection campaign, the only Florida contributions he made that year, according to Florida Department of State records." On May 8, 2009, [redacted] with the Virginian-Pilot , PilotOnline.com, wrote an article regarding the Virginia PMP Compromise. In the article, [redacted] noted interview with Carl Domino. During interview Domino was quoted as saying: b6 b7C

"We certainly don't want to subject the citizens of Florida to the agony that I'm sure some people in Virginia are feeling tonight."

Based on the below [redacted] and his associates became persons of interest in captioned case: b6 b7C

- Potential motive of competitive gain exist for Bio-Tech. Bio-Tech could further advocate use of their product by showing vulnerabilities and information that could be obtained in the PMP application and similar applications. [redacted] Pain Medication Centers and could also benefit by controlling the application used by the dispensers.

- [redacted] his associations, and businesses are within five miles of the residence linked to the first identified SQL Injection to the PMP login page. This is the residence where [redacted] was residing.
- [redacted] has a criminal record to include significant telemarketing fraud, credit card fraud, and money laundering. He is

To: Miami From: Richmond
Re: [redacted] 04/11/2012

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also listed in a closed Miami OCDETF case. [redacted] was listed as having contact with main target in the OCDETF case and potential connection for Oxycontin. Subsequent to his release from prison, [redacted] also claims to be a Medical Doctor, but public record checks show no record of [redacted] having a Medical license.

Richmond investigation has also connected [redacted] to [redacted] Both worked for HAWA Communications, a boiler room operation (see 196C-MM-95893). [redacted] also stated when he returned to Florida in early June 2009 to perform a final walk through of his apartment, he had lunch with [redacted] During the conversation, [redacted] mentioned he had Oxycontin available for sale if [redacted] knew anyone that was buying. [redacted] stated that he did not, and [redacted] never mentioned it again. [redacted] also showed him the large bottle of the Oxycontin he had obtained. It is unknown at this time who [redacted] Oxycontin supplier is, but at the time [redacted] ran a pain clinic in the Fort Lauderdale area and his pain clinic has been investigated in the past by DEA. (see [redacted] for more details regarding [redacted] and his [redacted]

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Travel Plans for Interviews:

[redacted]

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To: Miami From: Richmond
Re: [redacted] 04/11/2012 b7E

LEAD(s):

Set Lead 1: (Action)

MIAMI

AT PALM BEACH, FL

At PRA: RH request SSRA concurrence for SA [redacted] to travel b6 b7C to Miami Division to conduct interviews of individuals who may have been involved in or have knowledge of the compromise of Department of Health Professions (DHP) Prescription Monitoring Program (PMP). Richmond further request SA [redacted] assistance with interviews.

Set Lead 2: (Action)

MIAMI

AT MIAMI, FL

At CY-3: RH request SAC concurrence for SA [redacted] to travel to Miami Division to conduct interviews of individuals who may have been involved in or have knowledge of the compromise of Department of Health Professions (DHP) Prescription Monitoring Program (PMP). Richmond further request SA [redacted] assistance with interviews.

Set Lead 3: (Action)

CYBER

AT WASHINGTON, DC

At CIU-1: Request for CIU-1 to provide TR# to fund SSA [redacted] travel to Fort Lauderdale, Florida to conduct interviews in b6 b7C support of captioned investigation into the compromise of Virginia's Prescription Monitoring Program.

♦♦

FD-302 (Rev. 10-6-95)

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/14/2012

On May 14, 2012, SA [redacted] contacted [redacted] date of birth [redacted] Social Security account number [redacted] via telephone based on information provided by Health and Human Services, Office of the Inspector General Special Agent [redacted] related to MED-CARE DIABETIC & MEDICAL SUPPLIES (MED-CARE). After being advised of the identity of the interviewing agent and the nature of the interview, [redacted] provided the following information:

[redacted] practices [redacted] telephone number [redacted] On November 8, 2011, [redacted] received a fax from KINGDOM CARE, MED-CARE requesting [redacted] to fill out a physician's order form for patient [redacted] for diabetic supplies.

[redacted] is a patient of [redacted] is diabetic, however, her diabetes is controlled with one pill a day. [redacted] does not need insulin injections. [redacted] family takes care of [redacted] contacted [redacted] and her family to ask if they contacted MED-CARE for diabetic supplies and they denied calling and requesting diabetic supplies from MED-CARE.

[redacted] forwarded the MED-CARE requests to the Office of Inspector General hotline complaint center stating that [redacted] did not want MED-CARE supplies and that [redacted] did not prescribe diabetic supplies for [redacted]

A copy of [redacted] complaint including the MED-CARE request will be maintained in the 1A section of the investigative file.

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Investigation on 05/14/2012 at (telephonically)

File # 209A-MM-114622-AA7-16 Date dictated

by SA [redacted]

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b7C

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

209A-MM-5300032-17

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 05/01/2012

[redacted], date of birth [redacted] Social Security account number [redacted] telephone number [redacted] was interviewed at his residence, [redacted] Also present during the interview were Federal Bureau Of Investigation Special Agent (SA) [redacted] from the Richmond Division, Health and Human Services, Office of the Inspector General SA [redacted] and [redacted] date of birth [redacted] Social Security account number [redacted] After being advised of the identities of the interviewing agents and the nature of the interview, [redacted] provided the following information:

[redacted] is a [redacted] which generates leads online. [redacted] in July 2009. [redacted] data warehouse is located in [redacted] collects individuals' names, phone numbers, and demographics. They do not collect Social Security numbers, Medicare, or Medicaid numbers.

[redacted] contracts through BUSINESS ASSOCIATES AGREEMENTS and is in compliance with HIPAA. [redacted] works with businesses not individual consumers. [redacted] provides leads to companies not limited to the insurance industry, mortgage industry, and educational loan industry. Businesses can go directly to [redacted] and filter information they wish to obtain and [redacted] sends it to them. [redacted] sends the data he collects through his leads to call centers he has contracts with. [redacted] maintains invoices that outline the leads information he provides to clients. The call centers generate additional information (Social Security numbers, Medicare, or Medicaid numbers) through contacting individuals directly. These call centers send the data to other companies, which in this case, is a durable medical equipment company. [redacted] does not operate call centers.

The data [redacted] collects is stored on his server located in [redacted] also stores data for his clients once they have generated additional information from his leads. [redacted] rents software space from his server and currently has 10 clients renting space. His data is very secure.

Investigation on 04/26/2012 at Lighthouse Point, Florida

File # 209A-MM-114622-AA7, [redacted] Date dictated

by SA [redacted]
SA [redacted]

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

209A MM-5300032-19

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[redacted] does not have a staff, it's only him and [redacted] in the business. [redacted] of the business. They have an office space at [redacted] has a contract with [redacted] for internet law, to make sure he is in compliance with internet law.

FEDERAL BUREAU OF INVESTIGATION
FOI/PA
DELETED PAGE INFORMATION SHEET
FOI/PA# 1557123-000

Total Deleted Page(s) = 33
Page 8 ~ OTHER - Sealed Pursuant to Court Order;
Page 9 ~ OTHER - Sealed Pursuant to Court Order;
Page 10 ~ OTHER - Sealed Pursuant to Court Order;
Page 11 ~ OTHER - Sealed Pursuant to Court Order;
Page 12 ~ OTHER - Sealed Pursuant to Court Order;
Page 13 ~ OTHER - Sealed Pursuant to Court Order;
Page 14 ~ OTHER - Sealed Pursuant to Court Order;
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Page 34 ~ OTHER - Sealed Pursuant to Court Order;
Page 35 ~ OTHER - Sealed Pursuant to Court Order;
Page 36 ~ OTHER - Sealed Pursuant to Court Order;
Page 37 ~ OTHER - Sealed Pursuant to Court Order;
Page 39 ~ b5; b6; b7C;
Page 40 ~ b5; b6; b7C;
Page 51 ~ b6; b7C;
Page 58 ~ b6; b7C;

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FD-1057 (Rev. 5-8-10)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) Documenting entry of 1A envelope referencing FD-302 serial 18 **Date:** 07/17/2012

From: MIAMI
MM-PB3
Contact: [redacted] b6 b7C b7E

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 209A-MM-114622-AA7 (U) MED-CARE DIABETIC AND MEDICAL SUPPLIES INC

Synopsis: (U) Documenting entry of 1A envelope referencing FD-302 serial 18

Administrative Notes: (U) Documenting entry of 1A envelope referencing FD-302 serial 18

Package Copy: (U) Documenting entry of 1A envelope referencing FD-302 serial 18

Enclosure(s): Enclosed are the following items:
1. (U) To document the entry of a 1A envelope dated 04/26/2012 referencing serial 18 containing original notes re interview of [redacted] b6 b7C
[redacted]

Details:

To document the entry of a 1A envelope dated 04/26/2012 referencing serial 18 containing original notes re interview of [redacted]

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Physical 1A/1C Cover Sheet for Serial Export

Created From: 209A-MM-5300032

Serial 20

Package: 1A2

Stored Location: None

Summary: (U) To document the entry of a 1A envelope dated 04/26/2012 referencing serial 18 containing original notes re interview of [redacted] b6 b7C

Acquired By: [redacted]

Acquired On: 2012-07-17

Acquired From: (U) [redacted]

Attachment: (U) To document the entry of a 1A envelope dated 04/26/2012 referencing serial 18 containing original notes re interview of [redacted]

FD-1036 (Rev. 10-16-2009)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 08/29/2012

Title: (U) [redacted] interview

b6
b7C

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 209A-MM-114622-AA7 (U) MED-CARE DIABETIC AND MEDICAL SUPPLIES INC

Synopsis: (U) Interview of [redacted]

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FD-1057 (Rev. 5-8-10)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) Conference call with AUSA [redacted] **Date:** 08/29/2012

b6
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From: MIAMI
MM-PB3
Contact: [redacted]

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 209A-MM-114622-AA7 (U) MED-CARE DIABETIC AND MEDICAL SUPPLIES INC

Synopsis: (U) To document conference call regarding Med-Care Diabetic and Medical Supplies case.

Details:

On August 29, 2012 the following individuals participated in a conference call to discuss captioned case criminal investigation and civil investigation:

-AUSA [redacted]

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-DOJ [redacted]

-HHS-OIG SA [redacted]

-DOD-OIG SA [redacted]

-SA [redacted]

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UNCLASSIFIED

FD-1036 (Rev. 10-16-2009)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 09/10/2012

Title: (U) Med-Care Civil Complaint

Approved By: [redacted] b6 b7C

Drafted By: [redacted]

Case ID #: 209A-MM-114622-AA7 (U) MED-CARE DIABETIC AND MEDICAL SUPPLIES INC

Synopsis: (U) Med-Care Civil Complaint

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FD-1036 (Rev. 10-16-2009)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Import Form

Form Type: OTHER **Date:** 09/10/2012

Title: (U) Relator statement

Approved By: [redacted] b6 b7C

Drafted By: [redacted]

Case ID #: 209A-MM-114622-AA7 (U) MED-CARE DIABETIC AND MEDICAL SUPPLIES INC

Synopsis: (U) [redacted] statement

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UNCLASSIFIED

FD-1057 (Rev. 5-8-10)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) Meeting with Attorney [redacted] **Date:** 09/06/2012 b6 b7C b7E

From: MIAMI
MM-PB3
Contact: [redacted]

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 209A-MM-114622-AA7 (U) MED-CARE DIABETIC AND MEDICAL SUPPLIES INC

Synopsis: (U) To document meeting with Attorney [redacted] b6 b7C

Enclosure(s): Enclosed are the following items:
1. (U) Email communication between AUSA [redacted] and Attorney [redacted]

Details:

On September 4, 2012, HHS-OIG Special Agent (SA) [redacted] and SA [redacted] met with Attorneys [redacted] and [redacted] at their office located at 707 NE 3rd Avenue, Suite 301, Fort Lauderdale, Florida. During the meeting, [redacted] b5 b6 b7C b7E

[redacted]

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FD-302 (Rev. 5-8-10)

FEDERAL BUREAU OF INVESTIGATION

Date of entry 12/19/2012

[redacted] date of birth (DOB) [redacted] b6 b7C
Social Security account number [redacted] residence address [redacted] telephone number [redacted] was interviewed at Starbuck's on Military Trail and Clint Moore in Boca Raton, Florida. Also present during the interview was Health and Human Services, Office of the Inspector General Special Agent [redacted] After being advised of the identities of the interviewing Agents and the nature of the interview, [redacted] provided the following information:

[redacted] found her job at MED-CARE DIABETICS AND MEDICAL SUPPLIES (MED-CARE) though a former neighbor, [redacted] the continuous positive airway pressure (CPAP) division at MED-CARE. [redacted] hired [redacted] during May 2011 for the [redacted] is [redacted] is the [redacted] of MED-CARE and [redacted] duties at MED-CARE was to call individuals asking if there was someone at the residence with diabetes or respiratory problems. When [redacted] first began to call beneficiaries, she was supposed to identify herself as a representative of CHRISTIAN HEALTH CARE NETWORK. [redacted] salary was $10 an hour and she had a guarantee of 40 hours a week plus $13 a "deal". A "deal" meant obtaining a Medicare number, physician, and private insurance information from a beneficiary. MED-CARE has a call center inside their office.

Currently, there are approximately 70-90 employees at MED-CARE calling beneficiaries to obtain their Medicare number, physician, and private insurance information. There is a company inside MED-CARE called KINGDOM CARE, which the address comes to [redacted] The employees in charge of the [redacted] at MED-CARE are [redacted] and [redacted] is in charge of the [redacted] came from MED-CARE's New York office. [redacted] LNU also works in the [redacted] works in [redacted] LNU used to work in the [redacted] but was moved to a different department when he could not get his telemarketing license. [redacted] was [redacted] beneficiary information. [redacted] LNU, also worked at MED-CARE and was [redacted] phone number is [redacted] was [redacted] for no particular reason. [redacted] worked at MED-CARE for approximately six years. [redacted] is in

b6 b7C

b6 b7C

b6 b7C

Investigation on 12/17/2012 at Boca Raton, Florida, United States (In Person)

File # 209A-MM-114622-AA7 Date drafted 12/19/2012

by [redacted] b6 b7C

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FD-302a (Rev. 05-08-10)

209A-MM-114622-AA7

Continuation of FD-302 of [redacted], On 12/17/2012, Page 2 of 2

b6
b7C

[redacted] the [redacted] The [redacted] is [redacted] and [redacted] also work at MED-CARE.

MED-CARE also bills Medicaid. MED-CARE bills Medicaid in 25 states, including Ohio and Arizona. MED-CARE bills Medicare for products they are not representing. Many of MED-CARE's medical supplies are returned because they were neither wanted nor requested by the beneficiaries. [redacted] does not believe that MED-CARE reimburses the money back to Medicare, instead, they redistribute those supplies to other beneficiaries at additional cost to Medicare.

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MED-CARE uses NOBLE HOUSE in Deerfield Beach, Florida to submit their billing. MED-CARE's server is located in Miami, Florida. MED-CARE is currently submitting numerous claims to Medicare because it is the end of the year. MED-CARE does not record telephone calls and do not have shredders. MED-CARE is not in compliance with Medicare standards. MED-CARE hires employees from other companies which bring lead lists. [redacted] has seen faxes at MED-CARE from physicians accusing MED-CARE of committing fraud.

b6
b7C

FD-1057 (Rev. 5-8-10)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) Documenting entry of 1A envelope referencing FD-302 serial 25 **Date:** 01/17/2013

From: MIAMI
MM-PB3
Contact: [redacted] b6 b7C b7E

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 209A-MM-114622-AA7 (U) MED-CARE DIABETIC AND MEDICAL SUPPLIES INC

Synopsis: (U) Documenting entry of 1A envelope referencing FD-302 serial 25

Administrative Notes: (U) Documenting entry of 1A envelope referencing FD-302 serial 25

Package Copy: (U) To document the entry of a 1A envelope dated 12/17/12 referencing serial 25 containing original notes re interview of [redacted]

Enclosure(s): Enclosed are the following items:
1. (U) To document the entry of a 1A envelope dated 12/17/12 referencing serial 25 containing original notes re interview of [redacted] b6 b7C

Details:

To document the entry of a 1A envelope dated 12/17/12 referencing serial 25 containing original notes re interview of [redacted]

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UNCLASSIFIED

Physical 1A/1C Cover Sheet for Serial Export

Created From: 209A-MM-5300032

Serial 27

Package: 1A4

Stored Location: None

Summary: (U) To document the entry of a 1A envelope dated 12/17/12 referencing serial 25 containing original notes re interview of [redacted] b6 b7C

Acquired By:

Acquired On: 2013-01-17

Acquired From: (U) [redacted]

Attachment: (U) To document the entry of a 1A envelope dated 12/17/12 referencing serial 25 containing original notes re interview of [redacted]

FD-1057 (Rev. 5-8-10)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) Documents received from [redacted] **Date:** 06/19/2013 b6 b7C b7E

From: MIAMI
MM-PB3
Contact: [redacted]

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 209A-MM-114622-AA7 (U) MED-CARE DIABETIC AND MEDICAL SUPPLIES INC

Synopsis: (U) To document emails received from [redacted] for Respiratory Services. b6 b7C

Enclosure(s): Enclosed are the following items:
1. (U) Med-Care fax
2. (U) Med-Care fax
3. (U) Med-Care fax
4. (U) Med-Care fax
5. (U) Med-Care fax
6. (U) Med-Care fax
7. (U) Med-Care fax

Details:

On June 17, 2013, [redacted] for Respiratory Specialists, emailed SA [redacted] faxes received from Med-Care Diabetic and Medical Supplies. b6 b7C

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Med-Care Diabetic & Medical Supplies
933 Clint Moore Road
Boca Raton FL 33487
Phone # 1-888-777-0737 - Fax # 1-866-283-2031

Your patient has asked us to contact you regarding authorization for a Nebulizer and its medications to help with their breathing problems. Your help in this matter is greatly appreciated by your patient and us. Please review the prescriptions to sections 1, 2 & 3 before signing. In order to supply these products to your patient, under the Medicare program, we must obtain a signed order by the patient's physician. Kindly sign and fax this form to our TOLL FREE FAX # above. Your cooperation will be greatly appreciated. THANK YOU!

4/18/2013

Patients Name: [redacted] DOB: [redacted] b6 b7C

[redacted] ID: [redacted]

Please Fill Out the Prescription Completely. Place a (X) next to all Medications that apply.

PLEASE SPECIFY DIRECTIONS FOR RX

→ ☑ **Ipratropium-Albuterol** 0.5-3 mg / 3 ml (DUONEB Equivalent)

[ ] BID [ ] TID [ ] QID [ ] Q 4 hours *Q4 unless otherwise indicated*
REFILLS: 12 unless otherwise indicated

SECTION 2

→ ☑ **Nebulizer Kit** ( ) Filters ( ) Aerosol Mask

→Diagnosis Codes:

Please put a (X) next to all that apply.

[ ] 493.90 Bronch Asthma [ ] 492.8 Emphysema [ ] 496 C.O.P.D

[ ] OTHER: _____

DURATION OF NEED: 12 MONTHS UNLESS OTHERWISE SPECIFIED _____

SECTION 3

⇒Physicians Signature: _____ Date: _____
(NO STAMPS) NPI # [redacted]

[redacted]

Phone # [redacted] b6 b7C
Fax# [redacted]

Med-Care Diabetic & Medical Supplies
933 Clint Moore Road
Boca Raton FL 33487
Phone # 1-888-777-0737 - Fax # 1-866-283-2031

Your patient has asked us to contact you regarding authorization for a Nebulizer and its medications to help with their breathing problems. Your help in this matter is greatly appreciated by your patient and us. Please review the prescriptions to sections 1, 2 & 3 before signing. In order to supply these products to your patient, under the Medicare program, we must obtain a signed order by the patient's physician. Kindly sign and fax this form to our TOLL FREE FAX # above. Your cooperation will be greatly appreciated. THANK YOU!

4/9/2013

Patients Name [redacted] DOB [redacted] b6 b7C

ID [redacted]

Please Fill Out the Prescription Completely. Place a (X) next to all Medications that apply.

PLEASE SPECIFY DIRECTIONS FOR RX

→ ☑ **Ipratropium-Albuterol** 0.5-3 mg / 3 ml (DUONEB Equivalent)

[ ] BID [ ] TID [ ] QID [ ] Q 4 hours *Q4 unless otherwise indicated*
REFILLS: 12 unless otherwise indicated

SECTION 2

→ ☑ **Nebulizer Kit** ( ) Filters ( ) Aerosol Mask

→ **Diagnosis Codes:**

Please put a (X) next to all that apply.

[ ] 493.90 Bronch Asthma [ ] 492.8 Emphysema [ ] 496 C.O.P.D

[ ] OTHER: _____

DURATION OF NEED: 12 MONTHS UNLESS OTHERWISE SPECIFIED _____

SECTION 3

⇒Physicians Signature: _____ Date: _____
(NO STAMPS) NPI # [redacted]

[redacted]

Phone # [redacted] b6 b7C
Fax# [redacted]

MED-CARE DIABETIC & MEDICAL SUPPLIES, INC.
933 CLINT MOORE ROAD
BOCA RATON, FL. 33487
Phone: (888) 777-0737
Fax: (877) 308-9432

[ ] Fax #: [ ] ID: [ ] b6 b7C

Your patient has asked us to contact you regarding their request for portable and stationary oxygen concentrators from our company. Your help in this matter would be greatly appreciated by your patient. In order for [ ] to qualify for portable/stationary oxygen, the following needs to be completed on the CMN.

Section B:

- **Indicate a length of need and diagnosis code.**
- **Complete questions 1-5**
- **Complete question 6 (if greater than 4 LPM)**
- **Include:**
  - **O2 saturation test of 88% or lower with most recent test date while at rest or during exercise.**
  - **Physician signature and date.**

Please SIGN, DATE and fax back to:

1-877-308-9432

Thank You

MED-CARE DIABETIC & MEDICAL SUPPLIES, INC.
933 CLINT MOORE ROAD
BOCA RATON, FL 33487
Phone: (888) 777-0737
Fax: (877) 308-9432

Your patient has asked us to contact you regarding authorization for an Oxygen Concentrator and Portable. In order to supply these products to our mutual patient, under the Medicare program, we must obtain a signed dispensing order by the physician. Kindly sign and fax this form to our TOLL FREE FAX # above. Please ensure the order is fully completed prior to returning. We would like to thank you in advance for your immediate attention to this matter.

Patients Name: b6 b7C

DOB:
ID:
HICN

---

*START DATE:*_____ *DIAGNOSIS CODE:*_____

EQUIPMENT TYPE(S):

☑ **(E1390) STATIONARY OXYGEN CONCENTRATOR**

☑ **(E1392) PORTABLE OXYGEN CONCENTRATOR**

*Please indicate **Length of Need*** _____.

The above named patient was diagnosed as indicated, treatment of this condition is considered mandatory rather than elective. *Duration of need for Patients requiring Oxygen equipment is usually LIFETIME (99 MONTHS).*

Physicians Signature: _____ **Date:** _____

NPI #: b6 b7C

PHONE#:
FAX#:

****Please attach supporting medical documentation for this order.****

IMPORTANT WARNING: The documents accompanying this transmission contain confidential health information that is legally privileged. This information is intended only for the use of the individual or entity named above. The authorized recipient of this information is prohibited from disclosing this information to any other party unless required to do so by law or regulation and is required to destroy the information after its stated need has been fulfilled. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or action taken in reliance on the contents of these documents is strictly prohibited. If you have received this information in error, please notify the sender immediately for the return or destruction of these documents

OXYGEN PRESCRIPTION

Fax to: (877) 308-9432 or call 888-777-0737

b6
b7C

Patient Name: **D.O.B:** **PT ID**

The PATIENT listed above has requested a Stationary / Portable Oxygen Concentrator.
FAX completed form to:

(877) 308-9432

PLEASE ATTACH SUPPORTING DOCUMENTATION FOR THE DIAGNOSIS

1. **START DATE:**
2. **DIAGNOSIS CODE (ICD-9):** _____ (Please specify diagnosis code)
3.

Stationary Oxygen: Dosage: _____LPM
Duration: _____Hrs
Delivery Method: Nasal Cannula

Portable Oxygen: Dosage: _____LPM
Duration: _____Hrs
Delivery Method: Nasal Cannula
___ Continuous Flow Only

Usage :

4. **Please note:** No product authorized herein will be supplied without the expressed consent of the named patient. **BY SIGNING BELOW**, I state that: **(a)** This order accurately reflects this patient's diagnosis and condition and is substantiated by my medical records. **(b)** The patient or their caregiver is (or is scheduled to be) trained in the use of this device. **(c)** The equipment prescribed is reasonable and necessary for accepted standards of medical practice and treatment of this patient's condition and has not been prescribed as "convenience equipment". **(d)** I will make the original signed copy of this document a part of this patient's medical records and make it available to Medicare, Medicaid, and other insurances, or any authorized agent, if requested. **(e)** I acknowledge that I have a current clinical relationship with this patient. Dispense as written.

SIGNATURE:[**] DATE:[**

Physician Name:
Phone #: Fax #:

b6
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*** Please remember to attach progress notes or documentation supporting this prescription ***

IMPORTANT WARNING: The documents accompanying this transmission contain confidential health information that is legally privileged. This information is intended only for the use of the individual or entity named above. The authorized recipient of this information is prohibited from disclosing this information to any other party unless required to do so by law or regulation and is required to destroy the information after its stated need has been fulfilled. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or action taken in reliance on the contents of these documents is strictly prohibited. If you have received this information in error, please notify the sender immediately for the return or destruction of these documents

Med-Care Diabetic & Medical Supplies
933 Clint Moore Road
Boca Raton FL 33487
Phone # 1-888-777-0737 - Fax # 1-866-283-2031

Your patient has asked us to contact you regarding authorization for a Nebulizer and its medications to help with their breathing problems. Your help in this matter is greatly appreciated by your patient and us. Please review the prescriptions to sections 1, 2 & 3 before signing. In order to supply these products to your patient, under the Medicare program, we must obtain a signed order by the patient's physician. Kindly sign and fax this form to our TOLL FREE FAX # above. Your cooperation will be greatly appreciated. THANK YOU!

4/24/2013

Patients Name [redacted] **DOB:** [redacted] b6 b7C

[redacted] **ID:** [redacted]

Please Fill Out the Prescription Completely. Place a (X) next to all Medications that apply.

PLEASE SPECIFY DIRECTIONS FOR RX

→ ☑ **Ipratropium-Albuterol** 0.5-3 mg / 3 ml (DUONEB Equivalent)

[ ] BID [ ] TID [ ] QID [ ] Q 4 hours *Q4 unless otherwise indicated*
REFILLS: 12 unless otherwise indicated

SECTION 2

→ ☑ **Nebulizer Kit** ( ) Filters ( ) Aerosol Mask

→Diagnosis Codes:

Please put a (X) next to all that apply.

[ ] 493.90 Bronch Asthma [ ] 492.8 Emphysema [ ] 496 C.O.P.D

[ ] OTHER: _____

DURATION OF NEED: 12 MONTHS UNLESS OTHERWISE SPECIFIED _____

SECTION 3

⇒Physicians Signature: _____ **Date:** _____

(NO STAMPS) **NPI #** [redacted] b6 b7C

[redacted]

Phone # [redacted]
Fax# [redacted]

 b6 b7C

Med-Care Diabetic & Medical Supplies Inc.
933 Clint Moore Road
Boca Raton Fl 33487
Phone: 888-777-0737 Fax 866-326-7765

Date: 4/30/13 Pt ID: [redacted] b6 b7C

To [redacted] Fax: [redacted]

Patient [redacted] D.O.B. [redacted]

Our mutual patient has recently requested a CPAP/BIPAP machine and supplies from our company to treat their Sleep Apnea. Their insurance company requires that we submit the following information:

-Diagnostic (DX) portion of the sleep study

-RX that includes a pressure (CM/H20) SIGNED BY MD (Attached)

Thank you!

[redacted] b6 b7C

 b6 b7C

Med-Care Diabetic & Medical Supplies, Inc.
933 Clint Moore Road
Boca Raton FL 33487
1-888-777-0737 Fax # (866) 326-7765

Your patient has asked us to contact you regarding authorization for a CPAP machine and/or supplies to help with their Obstructive Sleep Apnea. In order to supply these products to our mutual patient, under the Medicare program, we must obtain a signed order by the patient's physician. Kindly sign and fax this form to our TOLL FREE FAX # above. **Please ensure the prescription is fully completed prior to returning.** We would like to thank you in advance for your immediate attention to this matter.

Patients Name: [redacted] DOB: [redacted] b6 b7C

[redacted] Policy: [redacted] ID: [redacted]

DIAGNOSIS: 327.23 Obstructive Sleep Apnea; Adult or Pediatric

MACHINE TYPE(S):

➔ ☐ **CPAP or APAP** (E0601) ***Pressure or Pressure Range:** _____ CM/H20

➔ ☐ **BiPAP / Bi-level** (E0470) ***Pressure:** _____/_____ CM/H20

MASK TYPE(S): ☑ ***PATIENT PREFERENCE UNLESS OTHERWISE SPECIFIED***

Full Face Mask (A7030: 1/3M) With Full Face Mask Cushion (A7031: 3/3M)
Nasal Pillow Mask (A7034: 1/3M) With Nasal Pillow (A7033: 6/3m)
Nasal Mask (A7034: 1/3M) With Nasal Mask Interface (A7032: 6/3m)

☐ **Other** BRAND: _____ SIZE: _____

The following dispensable equipment is necessary for the proper use of the PAP equipment and is not a part of the CPAP, Bi-level, BiPAP or AVAPs machine when purchased or rented and needs to be replaced on a regular basis. The equipment listed below is supplied and replaced based on the Medicare Replacement Schedule Allowable(s):

☑ TUBING (A7037: 1/3M)
☑ DISPOSABLE FILTER (A7038: 6/3M)
☑ NON- DISPOSABLE FILTER (A7039: 1/6M)
☑ HEADGEAR (A7035: 1/6M)
☐ CHINSTRAP (A7036: 1/6M)
☐ HEATED TUBING (A7046: 1/3M)
☐ REPLACEMENT WATER CHAMBER FOR HUMIDIFIER (A7046: 1/6M)
☐ OTHER _____

The above named patient was diagnosed as indicated. Due to the potentially dangerous consequences of disturbed sleep and sleep deprivation, which include the possibility of falling asleep in critical situations, treatment of this condition is considered mandatory rather than elective, on a nightly basis for a long term to lifetime duration (99 months). *Duration of need for equipment is LIFETIME, unless otherwise indicated* _____.

➔ **Physicians Signature:** _____ **Date:** _____

NPI # [redacted] b6 b7C

[redacted] **Phone #** [redacted]

Fax # [redacted] [*]

MED-CARE DIABETIC & MEDICAL SUPPLIES, INC.
933 CLINT MOORE ROAD
BOCA RATON, FL. 33487
Phone: (888) 777-0737
Fax: (877) 308-9432

[ ] Fax #: [ ] ID: [ ] b6 b7C

Your patient has asked us to contact you regarding their request for portable and stationary oxygen concentrators from our company. Your help in this matter would be greatly appreciated by your patient. In order for [ ] to qualify for portable/stationary oxygen, the following needs to be completed on the CMN.

Section B:

- **Indicate a length of need and diagnosis code.**
- **Complete questions 1-5**
- **Complete question 6 (if greater than 4 LPM)**
- **Include:**
  - **O2 saturation test of 88% or lower with most recent test date while at rest or during exercise.**
  - **Physician signature and date.**

Please SIGN, DATE and fax back to:

1-877-308-9432

Thank You

MED-CARE DIABETIC & MEDICAL SUPPLIES, INC.
933 CLINT MOORE ROAD
BOCA RATON, FL. 33487
Phone: (888) 777-0737
Fax: (877) 308-9432

Your patient has asked us to contact you regarding authorization for an Oxygen Concentrator and Portable. In order to supply these products to our mutual patient, under the Medicare program, we must obtain a signed dispensing order by the physician. Kindly sign and fax this form to our TOLL FREE FAX # above. Please ensure the order is fully completed prior to returning. We would like to thank you in advance for your immediate attention to this matter.

Patients Name: [redacted] b6 b7C

DOB: [redacted]
ID [redacted]
HICN [redacted]

---

*START DATE:*_____ *DIAGNOSIS CODE:*_____

EQUIPMENT TYPE(S):

☑ **(E1390) STATIONARY OXYGEN CONCENTRATOR**

☑ **(E1392) PORTABLE OXYGEN CONCENTRATOR**

*Please indicate **Length of Need*** _____.

The above named patient was diagnosed as indicated, treatment of this condition is considered mandatory rather than elective. *Duration of need for Patients requiring Oxygen equipment is usually LIFETIME (99 MONTHS).*

Physicians Signature: _____ **Date:** _____

NPI #: [redacted] b6 b7C

PHONE# [redacted]
FAX#: [redacted]

****Please attach supporting medical documentation for this order.****

IMPORTANT WARNING: The documents accompanying this transmission contain confidential health information that is legally privileged. This information is intended only for the use of the individual or entity named above. The authorized recipient of this information is prohibited from disclosing this information to any other party unless required to do so by law or regulation and is required to destroy the information after its stated need has been fulfilled. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or action taken in reliance on the contents of these documents is strictly prohibited. If you have received this information in error, please notify the sender immediately for the return or destruction of these documents

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b7C

OXYGEN PRESCRIPTION

Fax to: (877) 308-9432 or call 888-777-0737

Patient Name: **D.O.B:** **PT ID**

The **PATIENT** listed above has requested a Stationary / Portable Oxygen Concentrator.
FAX completed form to:

(877) 308-9432

PLEASE ATTACH SUPPORTING DOCUMENTATION FOR THE DIAGNOSIS

1. **START DATE:**
2. **DIAGNOSIS CODE (ICD-9):** _____ (Please specify diagnosis code)
3.

Stationary Oxygen: Dosage: _____LPM
Duration: _____Hrs
Delivery Method: Nasal Cannula

Portable Oxygen: Dosage: _____LPM
Duration: _____Hrs
Delivery Method: Nasal Cannula
___ Continuous Flow Only

Usage :

4. **Please note:** No product authorized herein will be supplied without the expressed consent of the named patient. **BY SIGNING BELOW**, I state that: **(a)** This order accurately reflects this patient's diagnosis and condition and is substantiated by my medical records. **(b)** The patient or their caregiver is (or is scheduled to be) trained in the use of this device. **(c)** The equipment prescribed is reasonable and necessary for accepted standards of medical practice and treatment of this patient's condition and has not been prescribed as "convenience equipment". **(d)** I will make the original signed copy of this document a part of this patient's medical records and make it available to Medicare, Medicaid, and other insurances, or any authorized agent, if requested. **(e)** I acknowledge that I have a current clinical relationship with this patient. Dispense as written.

SIGNATURE:[ ] **DATE:**[

b6
b7C

*** Please remember to attach progress notes or documentation supporting this prescription ***

IMPORTANT WARNING: The documents accompanying this transmission contain confidential health information that is legally privileged. This information is intended only for the use of the individual or entity named above. The authorized recipient of this information is prohibited from disclosing this information to any other party unless required to do so by law or regulation and is required to destroy the information after its stated need has been fulfilled. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or action taken in reliance on the contents of these documents is strictly prohibited. If you have received this information in error, please notify the sender immediately for the return or destruction of these documents

Med-Care Diabetic & Medical Supplies Inc.
933 Clint Moore Road
Boca Raton Fl 33487
Phone: 888-777-0737 Fax 866-326-7765

Date: 5/14/2013

To: [redacted] **Fax:** [redacted] b6 b7C

Patient [redacted] **D.O.B** [redacted]

Our mutual patient has recently requested a CPAP/BIPAP machine and supplies from our company to treat their Sleep Apnea. Their insurance company requires that we submit the following information:

-Diagnostic (DX) portion of the sleep study

-RX that includes a pressure (CM/H20) (Attached)

Thank you!

Med-Care Diabetic & Medical Supplies, Inc.
933 Clint Moore Road
Boca Raton FL 33487
1-888-777-0737 Fax # (866) 326-7765

The supplier may indicate the items that are being provided before sending the form to the physician. The physician can then review the form and either accept the items marked by the supplier or make any necessary changes. The physician must then initial and date the revised entries.

Patients Name: [redacted] DOB [redacted] b6 b7C

[redacted] Policy: [redacted] ID: [redacted]

➔ *DIAGNOSIS:* ☐ **327.23** Obstructive Sleep Apnea; Adult or Pediatric

➔ *MACHINE TYPE(S): **MUST BE INDICATED***

☐ **CPAP or APAP** (E0601) ***Pressure or Pressure Range:** _____CM/H20
with **Heated Humidifer**(E0562) unless otherwise specified

☐ **BiPAP / Bi-level** (E0470) ***Pressure:** _____/_____ CM/H20
with **Heated Humidifer**(E0562) unless otherwise specified

The above named patient was diagnosed as indicated. Due to the potentially dangerous consequences of disturbed sleep and sleep deprivation, which include the possibility of falling asleep in critical situations, treatment of this condition is considered mandatory rather than elective, on a nightly basis for a long term to lifetime duration (99 months). *Duration of need for equipment is LIFETIME, unless otherwise indicated* _____.

➔ **Physicians Signature:** _____ **Date:** _____

NPI # [redacted] b6 b7C

[redacted] PHONE#: [redacted]
FAX#: [redacted]

FD-71 (Rev. 5-8-10)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Complaint Form

Title: (U) Respiratory Specialists **Date:** 06/18/2013

Approved By: [redacted] b6 b7C

Drafted By: [redacted]

Case ID #: 209A-MM-114622-AA7 (U) MED-CARE DIABETIC AND MEDICAL SUPPLIES INC

Complaint Synopsis: (U) Med-Care Diabetic and Medical Supplies Inc sending unsolicited requests to change durable medical equipment supplier.

Received On: 07/10/2012

Receipt Method: Telephone

Received By: [redacted] b6 b7C

Incident Type: Criminal Activity

Occurrences:
From: 05/22/2012 12:00 AM EDT To: 07/10/2012 12:00 AM EDT

Complaint Details:

[redacted] date of birth [redacted] office telephone [redacted] cellular telephone [redacted] [redacted] Respiratory Specialists, 2608 Keiser Blvd, Wyomissing, Pa called to report a fraudulent durable medical equipment scheme being conducted by Med-care Diabetic and Medical Supplies, Inc, telephone 888-777-0737, fax 877-308-9432, 933 Clint Moore Road, Boca Raton, Fl. b6 b7C

ACS checks reveal Med-Care is the subject of 209A-MM-114622

UNCLASSIFIED

Title: (U) Respiratory Specialists
Re: 209A-MM-114622-AA7, 06/18/2013

[redacted] stated that Respiratory Specialists has received approximately 25 requests to change patients durable medical equipment supplier to Med-Care since approximately May 22, 2012. These requests are fraudulent and were not requested by the patient. In some cases Med-Care has contacted patients of Respiratory Specialists directly and asked them to change DME suppliers. After being told "no" by the patient Med-care has submitted a fraudulent request to change DME suppliers on behalf of the patient. Respiratory Specialists do not know how Med-Care has obtained the names and contact information for their patients and they are concerned with a possible loss/theft of HIPPA protected information perpetrated by Med-Care. b6 b7C

[redacted] has some of the fraudulent faxes on file and is willing to cooperate fully with any investigation. b6 b7C

Pre-Assessment Findings:

SA [redacted] contacted [redacted] on June 17, 2013. [redacted] provided SA [redacted] with documents related to Med-Care

Recommended Action: File to Existing Case

Entities:
Med-Care Diabetic and Medical Supplies Inc (Main, Organization, U.S. Person? Unknown)
Location
Address: 933 Clint Moore Rd
City: Boca Raton
State: FL
Country: United States

♦♦

FD-1057 (Rev. 5-8-10)

UNCLASSIFIED

FEDERAL BUREAU OF INVESTIGATION

Electronic Communication

Title: (U) Meeting with AUSA [redacted] **Date:** 10/24/2013 b6 b7C b7E

From: MIAMI
MM-PB3
Contact: [redacted]

Approved By: [redacted]

Drafted By: [redacted]

Case ID #: 209A-MM-114622-AA7 (U) MED-CARE DIABETIC AND MEDICAL SUPPLIES INC

Synopsis: (U) To document meeting with AUSA [redacted] b6 b7C

Enclosure(s): Enclosed are the following items:
1. (U) Amended complaint

Details:

On October 23, 2013, SA [redacted] HHS-OIG SA [redacted] and IRS SA [redacted] met with AUSA [redacted] to discuss captioned case. b5 b6 b7C b7E

[redacted]

♦♦

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CASE NO.: 10-81834-CV-RYSKAMP

2013 SEP 10 PM 4:13

UNITED STATES OF AMERICA, *ex rel.* TIFFANY BUMBURY,

Plaintiff,

vs.

UNDER SEAL

MED-CARE DIABETIC & MEDICAL SUPPLIES, INC., a Florida corporation, EAST END ASSOCIATES, INC., a Florida corporation, DANIEL M. PORUSH, Individually, LAWRENCE P. SILVERMAN, Individually, JORDAN SHAMAH, Individually, STEVEN SILVERMAN, Individually, LORRI SILVERMAN, Individually, and LISA PORUSH, Individually,

Defendants.

/

AMENDED COMPLAINT

Plaintiff and Relator Tiffany Bumbury alleges as follows:

I. Nature of the Case

1. This is an action to recover damages and civil penalties on behalf of the United States of America arising from false statements and false claims made and presented, and caused to be made and presented, by the Defendants and co-conspirators in violation of the Federal False Claims Act, 31 U.S.C. § 3729 *et seq.*, as amended (the "Act"). The violations of the Act involve claims for reimbursement that Defendants made and caused to be made to Medicare since at least 2004 to the present that the Defendants knew were false and/or ineligible for reimbursement.

2. The Act provides that any person who knowingly submits or causes to be submitted a false or fraudulent claim to the Government for payment or approval is liable for a civil penalty of up to $11,000 for each such claim submitted or paid, plus three times the amount of the false claims submitted to the Government. The Act allows any person having information regarding a false or fraudulent claim against the Government to bring an action for herself (the "relator") and for the Government and to share in any recovery.

3. Based on those provisions, plaintiff/relator in this case seeks to recover damages and civil penalties arising from the Defendants' presentation of false records, claims, and statements to the United States Government and its agents in connection with Defendants' claims for reimbursement for durable medical equipment ("DME") provided and allegedly provided to beneficiaries under the Medicare program.

II. The Parties

4. Plaintiff and relator, Tiffany Bumbury, is a resident of Brooklyn, NY, and a former employee of Defendant East End Associates, Inc., which maintains office space in New York, NY. Ms. Bumbury brings this action for violations of 31 U.S.C. § 3729 *et seq.*, on behalf of herself and the United States Government and its agency, the United States Department of Health and Human Services ("HHS"), Centers for Medicare and Medicaid Services ("CMS"), pursuant to 31 U.S.C. § 3730(b)(1). Ms. Bumbury has direct and personal knowledge that the Defendants (as defined *infra* in Paragraph 16) have and are engaged in a conspiracy and scheme to submit false claims to the Medicare program for improperly solicited DME sales, for medically unnecessary DME equipment provided to Medicare beneficiaries, for non-rendered DME, and for DME claims generated and resulting from violations from the Medicare Anti-kickback Statutes, 42 U.S.C. § 1320a-7b(b).

5. As required under the False Claims Act, 31 U.S.C. § 3730(b)(2), the relator, simultaneously with the filing of her initial Complaint in December 2010, provided to the Government a statement of all material evidence and information related to this Complaint. This disclosure statement supports the existence of the submission of knowingly false or fraudulent claims for payment or approval, the knowing, making, using, and causing to be made and used, false records or statements material to a false or fraudulent claim, and the existence of a conspiracy to do both under the False Claims Act, 31 U.S.C. §§ 3729(a)(1)(A)(B) and (C). Subsequent to filing her initial Complaint, Relator provided the United States with additionally acquired information supporting the allegations contained in the Complaint and this Amended Complaint.

6. The United States of America is named as a Plaintiff because funds of the United States of America were and are being paid to Defendants as a result of the false claims scheme alleged in this Amended Complaint.

7. Defendant Med-Care Diabetic & Medical Supplies, Inc. ("Med-Care") is a Florida corporation that was registered with the Florida Secretary of State on November 8, 1999, with a principal place of business of 933 Clint Moore Road, Boca Raton, Florida 33487. The registered agent for the company is Steven Silverman, D.C. Med-Care's corporate officers are Steven Silverman, Lorri Silverman, and Lisa Porush. Med-Care filed a fictitious name registration with the Florida Secretary of State on October 3, 2007, to do business in Florida under the name "Christian Healthcare Network." Med-Care has a NPI number of 1619978434, and it submits claims to Medicare under that number. Among other things, Med-Care, directly and through its affiliation with East End Associates, Inc., is a national supplier of DME that operates telemarketing call centers in Boca Raton, FL, and New York, NY, both of which improperly

target and solicit Medicare beneficiaries in direct violation of Federal law. From 2009 to 2012, Med-Care received more than $84 million from Medicare in connection with its improper and illicit DME marketing and sales scheme. Upon information and belief, in 2012, Med-Care's Medicare payment privileges were suspended in connection with its improper conduct. Only through the submission of false information to Medicare regarding its marketing activities was Medicare able to restore its provider number. As discussed more fully herein in Section VII, the Relator's allegations regarding Med-Care were recently confirmed by a 2013 Congressional investigation by the U.S. Senate's Committee On Homeland Security and Governmental Affairs (Subcommittee on Financial and Contracting Oversight), which scrutinized Med-Care's Medicare-related, illegal DME marketing tactics. Co-Defendant Steven Silverman, D.C., a Med-Care principal, was subpoenaed to testify before the Subcommittee after he refused to voluntarily appear and/or provide any other information regarding Med-Care's operations and/or marketing tactics.

8. Defendant East End Associates, Inc. ("East End Associates"), is a Florida corporation that was registered with the Florida Secretary of State on July 7, 2008, with a principal place of business of 225 East 73rd Street, Apartment 11G, New York, NY 10021. The registered agent for East End Associates is Steven Silverman, whose address is listed as 3234 Harrington Dr., Boca Raton, FL 33496. East End Associates filed a fictitious name registration with the Florida Secretary of State on September 8, 2009, to do business in Florida under the name "Christian Diabetic Network." East End Associates operates as a joint venture, partner and agent with and for Med-Care. East End Associates operates and staffs a telemarketing call center in New York, NY, to conduct prohibited telephone solicitations of Medicare beneficiaries for the purpose of generating DME orders for Med-Care, which in turn submits claims to Medicare.

9. Defendant Daniel M. Porush is a principal of Med-Care (although his name does not appear as an officer of the company in corporate filings and, upon information and belief, does not appear on any CMS-required documentation, such as CMS-855s), and he is a driving force behind the submission of false claims and false statements to Medicare by Med-Care. Mr. Porush is actively involved in the operation and management of Med-Care's Boca Raton office and, upon information and belief, has an undisclosed ownership interest in Med-Care. Mr. Porush was also previously listed as a managing member, along with Steven Silverman and Lorri Silverman, in a Florida corporation by the name of "Med-Care RX Pharmacy, LLC," which had the same street address as Med-Care. Med-Care RX Pharmacy, LLC, filed a notice with the Florida Secretary of State on November 1, 2010, that it was ceasing to do business as of that date.

Mr. Porush is a convicted felon who was previously charged in the Southern District of New York with conspiracy to commit securities fraud, conspiracy to commit money laundering, conspiracy to defraud the United States through the unlawful obstruction of justice, and perjury, all in connection with a high-profile securities boiler room pump-and-dump operation that involved deceitful, high-pressure telemarketing (and which was the inspiration for the movie "Boiler Room" and for which there is a second film due out later this year starring Leonardo DiCaprio named "The Wolf of Wall Street"). A copy of the original Information charging Mr. Porush is attached hereto as **Exhibit 1**. In 2002, Mr. Porush pled guilty to eleven felony counts, was ordered to pay more than $200 million in restitution, and was sentenced to forty-eight months imprisonment and three years of supervised release. A copy of the "Judgment Including Sentence" is attached hereto as **Exhibit 2**. In early 2005, following his stint in federal prison, Mr. Porush sought to relocate to South Florida and requested that his three-year term of

probation be transferred to the Southern District of Florida, which was approved. A copy of the "Transfer of Jurisdiction" is attached hereto as **Exhibit 3**. Upon information and belief, upon his release from prison, and while on probation in Florida, Mr. Porush again began engaging in and/or directing deceitful, high-pressure telemarketing activities through Med-Care and/or its affiliates, although this time he specifically targeted Medicare beneficiaries. Attached as composite **Exhibit 4** are Florida corporate records reflecting Mr. Porush's incorporation of "Christiandiabetics.org, Inc.," on September 12, 2005, with an initial physical address next to Med-Care (and which was changed shortly thereafter to Med-Care's exact address). With respect to Med-Care, Mr. Porush is compensated both directly as a payroll employee and off the books as an undisclosed principal/owner through, among other things, regular payments by Med-Care to "Blue Giant Enterprises, Inc.," a company purportedly owned by Lisa Porush, who is Mr. Porush's wife and the current Vice-President of Med-Care, and through the use of a corporate credit card that Mr. Porush utilizes to make exorbitant expenditures for living and other personal expenses. Attached as composite **Exhibit 5** are corporate records regarding Ms. Porush's ownership of Blue Giant Enterprises, as well as a Citibank statement for Blue Giant's "operating account" for the period November 18th-30th, 2010, which reflects a November 19, 2010, incoming wire transfer from Med-Care in the amount of $258,574.00. Attached as **Exhibit 6** is Mr. Porush's Med-Care American Express card statement for the period ending November 28, 2010, which reflects payments for personal expenses including $5,439.56 to Woodfield Country Club (where he resides), and over $20,000 to a high-end jewelry/art boutique in Palm Beach, FL. The address for Blue Giant Enterprises is 3776 Coventry Lane, Boca Raton, FL 33496, which is the Porush's private residence in Woodfield Country Club in Boca Raton, FL, that was recently placed on the market for $3.75 million. Attached as composite **Exhibit 7** are records relating to

the Porush's private residence at Woodfield Country Club, which is also the apparent headquarters of Blue Giant Enterprises. Mr. Porush is also currently leasing at least one Rolls-Royce for $12,000/month that is paid for by Blue Giant Enterprises. Attached as **Exhibit 8** is a June 6, 2013, account statement from Rolls-Royce Motor Cars addressed to Blue Giant Enterprises at 3776 Coventry Lane, Boca Raton, FL 33496.

In addition to his criminal conviction, Mr. Porush has also been subjected to civil liability, permanent injunctions, and regulatory discipline (such as through the National Association of Securities Dealers) in connection with his fraudulent telemarketing conduct. For example, on August 22, 2000, in connection with a securities fraud complaint filed by the Securities and Exchange Commission, a "Final Judgment of Permanent Injunction" was entered against Mr. Porush that stated in pertinent part, "[I]t is hereby ordered, that Daniel M. Porush, his agents, servants . . . disgorge $157,000 he received from the alleged transactions in securities" and that permanently enjoined Mr. Porush from violating Sections 10(b) and 14(e) of the Securities Exchange Act of 1934 and Rules 10b-5 and 14e-3 promulgated thereunder. A copy of the docket in that matter is attached hereto as **Exhibit 9** (*see* DE #21). Upon information and belief, Mr. Porush is a resident of Boca Raton, FL.

10. Defendant Lawrence P. Silverman is the President of East End Associates and is in charge of Med-Care and East End Associates' New York telemarketing call center. Lawrence P. Silverman manages the New York telemarketing call center and the telemarketers employed by East End Associates. Among other things, Mr. Silverman instructs and directs the telemarketers to make prohibited contact with Medicare beneficiaries and further instructs and directs them to make false statements to the Medicare beneficiaries who are improperly contacted in order to generate DME orders for Med-Care. Mr. Silverman has and is conducting

and directing these illegal telemarketing activities in plain and direct violation of an August 24, 2004, "Stipulated Order for Permanent Injunction, Monetary Judgment, and Disgorgement" with the Federal Trade Commission that was entered in the United States District Court in the Western District of Texas, a copy of which is attached hereto as **Exhibit 10**. This lifetime telemarketing injunction was the result of Mr. Silverman's role as a principal of an international telemarketing network that defrauded hundreds of thousands of consumers out of more than $100 million in connection with the deceptive telemarketing of bogus advance-fee credit cards. A copy of the FTC press release regarding this matter is attached hereto as **Exhibit 11**. According to the "Stipulated Order for Permanent Injunction, Monetary Judgment, and Disgorgement," Mr. Silverman was liable for a $50 million judgment and was permanently enjoined form ever engaging in telemarketing again. More specifically, the Order provided as follows: "**IT IS HEREBY ORDERED** that Defendant Silverman is permanently restrained and enjoined from engaging or participating in telemarketing, directly or through an intermediary, including, but not limited to, by consulting, brokering, planning, investing, or advising." *Id.* at p. 4. The order further provides that, "**IT IS FURTHER ORDERED** that in connection with the advertising, promotion, offering for sale, or sale of goods or services by any means whatsoever, Defendant Silverman and his successors, assigns, officers, agents, servants, employees . . . whether acting directly or through any corporation, subsidiary, division, or other entity, are hereby permanently restrained and enjoined from making, directly or by implication, orally or in writing, any false or misleading representation or assisting others in making any such false or misleading representation . . . ." *Id.* Upon information and belief, Mr. Silverman is a resident of New York, NY.

11. Defendant Jordan Shamah is a floor supervisor in charge of Med-Care's and East End Associates' New York telemarketing call center. Among other things, Jordan Shamah instructs and directs the telemarketers to make prohibited contact with Medicare beneficiaries and further instructs and directs them to make false statements to the Medicare beneficiaries who are improperly contacted in order to generate DME orders for Med-Care. Upon information and belief, Mr. Shamah is a resident of Long Island, NY.

12. Defendant Steven Silverman, D.C., is a corporate officer and registered agent of Med-Care, the entity which is submitting the false claims and false statements to Medicare. As explained above, after first refusing to voluntarily appear, Dr. Silverman was subpoenaed to appear and testify at a May 2013 Congressional hearing that was investigating, among other things, Med-Care's aggressive and improper Medicare marketing activities. During that hearing, Mr. Silverman made false statements regarding Med-Care's marketing activities, including falsely denying that Med-Care employees told beneficiaries that DME is being provided to them for "free"; falsely denying that Med-Care cold-calls Medicare beneficiaries; and falsely claiming that Mr. Porush was merely an "employee" of Med-Care as opposed to a principal/owner of the company. Upon information and belief, Dr. Silverman is a resident of Boca Raton, FL.

13. Defendant Lorri (a/k/a "Lori") Silverman is a corporate officer of Med-Care, the entity which is submitting the false claims and false statements to Medicare. Upon information and belief, Ms. Silverman is a resident of Boca Raton, FL.[1]

14. Defendant Lisa Porush is the Vice-President of Med-Care, the entity which is submitting the false claims and false statements to Medicare, as well as President of Blue Giant

[1] Ms. Silverman's first name appears as both "Lorri" and "Lori" in various documentation.

Enterprises, which is her private residence-based "entity" that receives large sums of money from Med-Care. Upon information and belief, Ms. Porush is a resident of Boca Raton, FL.

15. Each of the Defendants is a knowing participant in the scheme to submit false claims to Medicare, and to create false statements and records material to the submitted false claims. Each of the Defendants is responsible in some actionable manner for the events, occurrences, injuries, and damages alleged herein.

16. The term "Defendants" as used herein refers collectively to the aforementioned entities (i.e., Med-Care and East End Associates), who acted by and through their officers, principals and managerial employees, the aforementioned individuals (i.e., Daniel Porush, Lawrence Silverman, Jordan Shamah, Steven Silverman, Lorri Silverman, and Lisa Porush), and each of them.

17. The corporate officers, principals and managerial employees of the Defendant entities (i.e., Daniel Porush, Lawrence Silverman, Jordan Shamah, Steven Silveman, Lorri Silverman, and Lisa Porush), in doing the acts and things described in this Complaint, were acting within the course and scope of their respective agencies and/or employment with the Defendant entities, and each of them, with the knowledge and consent of all the Defendants.

18. At all relevant times, each Defendant was the authorized agent of each other Defendant.

III. Jurisdiction and Venue

19. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331, 28 U.S.C. § 1345, and 31 U.S.C. § 3732, which specifically confers jurisdiction on this Court for actions brought pursuant to 31 U.S.C. §§ 3729 and 3730.

20. This Court has personal jurisdiction over the Defendants pursuant to 31 U.S.C. § 3732(a), which provides that, "[a]ny action under section 3730 may be brought in any judicial district in which the defendant, or in the case of multiple defendants, any one defendant can be found, resides, transacts business or in which any act proscribed by section 3729 occurred." *Id.* Section 3732(a) also authorizes nationwide service of process. During the relevant period, Defendants Med-Care, Daniel Porush, Steven Silverman, Lorri Silverman, and Lisa Porush, resided in and/or transacted business in the Southern District of Florida.

21. Venue is proper in the Southern District of Florida pursuant to 28 U.S.C. § 1391(b) and 31 U.S.C. § 3732(a) because Defendants Med-Care, Daniel Porush, Steven Silverman, Lorri Silverman, and Lisa Porush can be found in, reside in, and or transact business within this district.

IV. Nature of the False and Fraudulent Claims

22. The Defendants have been and remain collectively engaged in an illegal scheme to submit false and fraudulent claims to the Medicare Program through: 1) a telemarketing scheme designed to make prohibited unsolicited telephone calls from two call centers (one in Boca Raton, FL, and one in New York, NY) to Medicare beneficiaries regarding the provision of DME and then improperly billing Medicare for that DME; 2) sending DME to Medicare beneficiaries that was improperly solicited, excessive in amount, unrequested by the beneficiary, and/or medically unnecessary, and then improperly billing Medicare for that DME; 3) billing Medicare for non-rendered DME; and 4) violating the Medicare Anti-kickback Statute through the routine waiver of co-payments and deductibles and the provision of allegedly "free" DME to Medicare beneficiaries in order to entice them to order DME from Med-Care. The claims

submitted by Med-Care to Medicare resulting from this scheme were not eligible for payment under applicable law and are therefore "false claims" for purposes of the Act.

23. As background, Medicare is a federally-funded health insurance program for the elderly and the disabled. Medicare was created in 1965 in Title XVIII of the Social Security Act and is codified at 42 U.S.C. § 301 *et seq*. Medicare is administered by CMS and is funded through HHS.

24. Claims submitted to Medicare for reimbursement must satisfy the requirements of the Social Security Act, as well as applicable regulations, procedures, and instructions. Providers participating in Medicare are required to familiarize themselves with all applicable laws, regulations, procedures, and instructions and to certify on each claim that it is being submitted in full compliance with governing law. Federal regulations also require providers to furnish CMS, through its intermediaries, all information necessary to assure proper payment under the Medicare program. A copy of a notice of "Medicare DMEPOS Supplier Standards" recovered from Med-Care's Boca Raton office is attached as **Exhibit 12**, which specifically provides that, "A supplier must agree not to initiate phone contact with beneficiaries, with a few exceptions allowed. This standard prohibits suppliers from calling beneficiaries in order to solicit new business."

25. Medicare has multiple "parts." For example, Medicare Part A, the Basic Plan of Hospital Service, covers the cost of hospital and related ancillary services, such as home health agencies and skilled nursing facilities. Medicare Part B covers the cost of physician services and related ancillary services, including DME. Under applicable regulations, to be reimbursable under Medicare Part B, DME orders must be, among other things, ordered by a physician, be

medically necessary, be an item or service which is specifically covered by the Medicare Program, and not be the result of prohibited, unsolicited telemarketing.

26. In some cases, Medicare Part B will cover specific DME items such as diabetic testing supplies, nebulizers, continuous positive airway ("CPAP") devices for apnea, and massage therapy devices. These are examples of the types of DME that Med-Care improperly billed to Medicare (through Medicare's DME fiscal intermediaries in Florida, Palmetto GBA and CIGNA).

27. Section 1834(a)(17)(A) of the Social Security Act (codified at Title 42 of the U.S. Code) expressly prohibits suppliers of DME (such as Med-Care) and their agents from making unsolicited telephone calls to Medicare beneficiaries regarding the furnishing of covered items, except in certain limited circumstances not present here. *See id.* (stating, "A supplier of a covered item under this subsection may not contact an individual enrolled under this part by telephone regarding the furnishing of a covered item to the individual unless 1 of [3 exceptions] . . . applies:"). More specifically, for example, DME suppliers can telemarket Medicare beneficiaries: (1) if the supplier has written permission from the beneficiary (which Med-Care generally did not have); or (2) if the supplier is only contacting the beneficiary regarding the same item it previously provided (Med-Care routinely contacted beneficiaries that it had initially improperly solicited regarding many different types of DME that it had not previously provided to those beneficiaries).

28. Section 1834(a)(17)(B) specifically prohibits payment by the Medicare Program to a DME supplier that submits a claim to Medicare which was generated through prohibited telephone solicitation, either directly or through the use of an agent. *See id.* (stating, "If a

supplier knowingly contacts an individual in violation of subparagraph (A), no payment may be made under this part for any item subsequently furnished to the individual by the supplier.").

29. Notwithstanding the express prohibition against unsolicited telemarketing, Med-Care, through its agents and/or employees, routinely made unsolicited telephone calls to Medicare beneficiaries regarding the furnishing of DME in violation of section 1834(a)(17)(A) and improperly submitted false claims for payment that were the result of the unsolicited telephone calls in violation of section 1834(a)(17)(B).

30. Claims submitted to Medicare for DME provided to Medicare beneficiaries that were the result of prohibited, unsolicited telephone calls, such as those submitted by Med-Care, are false claims.

31. Thus, all claims submitted to Medicare by Med-Care that were the product of the prohibited, unsolicited telephone calls were false and subject Med-Care to liability under the Act.

32. Section 1862(a)(1)(A) of the Social Security Act provides that only medically necessary services, as defined in the Act and associated regulations, provided to Medicare beneficiaries are covered and payable services. Accordingly, the submission of claims to Medicare for DME which was not medically necessary for the treatment of a covered disease or condition of a Medicare beneficiary is a false claim under the Act.

33. Thus, all claims submitted to Medicare by Med-Care that were for medically unnecessary DME or otherwise non-covered items of DME were false and subject Med-Care to liability under the Act.

34. The Medicare Anti-kickback Statute, 42 U.S.C. § 1320a-7(b)(b), prohibits the offering or giving of anything of value (including routine waivers of co-payments and

deductibles, and providing free or reduced-cost equipment), either directly or indirectly, to induce the ordering of any item or service which may be covered by the Medicare Program.

35. Claims submitted to Medicare for DME orders which were generated through prohibited inducements in violation of the Medicare Anti-kickback Statutes are rendered false claims as a result of the violation of the Medicare Anti-kickback Statute.

36. Thus, all claims submitted to Medicare by Med-Care for DME that were generated through prohibited inducements to Medicare beneficiaries (such as routine waivers of co-payments and deductible, and the providing of "free" or reduced-cost equipment) were false and subject Med-Care to liability under the Act.

37. At all times relevant to this Amended Complaint, Medicare contracted with multiple entities to process claims for DME. These included, but were not limited to, Palmetto GBA and CIGNA, which served as the contracted DME regional contractor for the Southeast United States. As a result, Med-Care was required to and did submit its Medicare claims for payment for the DME to one of Medicare's contractors, which varied depending upon the time period and the location of the supplier or beneficiary. Those contractors would then request payment from the United States on behalf of Defendants and forward payment to Med-Care. Examples of Medicare remittances sent to Med-Care are attached hereto as **Exhibit 13**.

38. In addition to submitting claims under Medicare Part B, Med-Care also submitted false and fraudulent claims for DME to a number of Medicare Advantage Plans under Medicare Part C. The same pertinent marketing and billing restrictions and requirements applicable to Medicare Part B apply to claims submitted under Medicare Part C.

V. Relator Bumbury's Direct and Personal Knowledge

39. Ms. Bumbury has direct and personal knowledge of the violations alleged herein as a result of her employment as a telemarketer between August 4, 2010, and November 1, 2010, for the above entities and individuals. During the scope and course of Ms. Bumbury's employment, and as instructed and directed by the Defendants, she personally solicited Medicare beneficiaries (as well as private insurance beneficiaries) to market and sell DME. Ms. Bumbury was employed in the New York call center, which is located at 336 W 37th Street, Suite 300, New York, NY 10016.

VI. Specific Allegations

40. The Defendants have been and are engaged in a conspiracy and scheme to submit false claims to the Medicare Program for DME including, but not limited to, diabetic supplies, nebulizers, CPAP devices, back braces, and massage therapy devices. The individual Defendants manage and operate the entity Defendants (i.e., Med-Care and East End Associates) as a joint venture and partnership, with Med-Care submitting Medicare claims for DME sales generated at both centers. Attached as composite **Exhibit 14** are internal e-mails between principals of the two entities (including "Danny" [Porush] and "Steve" [Silverman]) divvying up expenses, as well as handwritten notes calculating the combined profits and expenses from the New York and Florida operations.

41. At the time of the Relator's employment, the New York telemarketing call center ran two shifts of approximately 17 telemarketers a day, Monday through Thursday, and a single shift of telemarketers on Fridays and Saturdays. The telemarketers made unsolicited contact with prospective purchasers, including Medicare beneficiaries, sometimes through the use of autodialing telephone equipment. Based upon the repeated advertisements placed by the

Defendants for telemarketers since Relator's departure, as well as the information contained in Section VIII, similar operations continue to the present day.

42. There is a second call center located at 933 Clint Moore Road, Boca Raton, FL 33487. The Boca Raton call center employed approximately 100 telemarketers, who also made unsolicited contact with prospective purchasers, including Medicare beneficiaries, sometimes through the use of autodialing telephone equipment. Upon information and belief, similar operations continue to the present day. Distribution of medical supplies principally occurs from the Boca Raton office, as well as at least some of the administrative functions of Med-Care.

43. The telemarketers, including Ms. Bumbury, were provided a "script" by the Defendants to use which included materially false statements including, but not limited to, that the beneficiary was being contacted because the beneficiary had requested information regarding DME. However, no such request was actually made by the beneficiary, and the beneficiaries regularly confirmed to Ms. Bumbury that they had not requested to be contacted, nor had they ever heard of Med-Care, the Christian Healthcare Network (which is a registered fictitious name for Med-Care), or the Christian Diabetic Network (which is a registered fictitious name for East End Associates). Upon information and belief, approximately 70% of the unsolicited calls made by the telemarketers are to Medicare beneficiaries.

44. Ms. Bumbury was also instructed by the Defendants, as were the other telemarketers she worked with, that the telemarketers did not need to always follow the script and should say whatever they needed to say, and make whatever representations they needed to make, to obtain billing information (including Medicare billing information) and to secure a sale.

45. The false representations that were used by the telemarketers included, but were not limited to: 1) telling the beneficiary that they were being provided the product for "free ;" 2)

telling the beneficiary that the beneficiary or someone in their family had specifically requested and/or authorized Med-Care to call the beneficiary; 3) telling the beneficiary that the beneficiary's physician had asked Med-Care to call the beneficiary; 4) telling the beneficiary that the caller was associated with "Med-Care" but pronouncing it like "Med-i-care" in an effort to trick the beneficiary; 5) telling the beneficiary that they were calling on behalf of the "Christian Healthcare Network" and/or the "Christian Diabetic Network" and that these were charitable organizations that donate their proceeds to causes such as veterans groups; 6) telling the beneficiary that they were associated with the "American Diabetic Association"; and 7) telling the beneficiary that the telemarketer was calling on behalf of the beneficiary's current DME supplier to upgrade their diabetic testing equipment, and then the beneficiary would be switched to Med-Care without the beneficiary's knowing consent.

46. On the basis of Relator's direct and personal knowledge of the Defendants' business practices, as well as information developed by Relator through additional investigation, Relator alleges on information and belief that these prohibited practices are widespread in Defendants' business.

47. In furtherance of the scheme, Med-Care routinely sent false correspondence to physicians nationwide stating that Med-Care had received (as opposed to solicited) a request to supply the physician's patient with, for example, diabetic testing supplies, and asking the physician to complete the enclosed "Physician Order Form." In doing so, Med-Care also actively concealed its fraudulent scheme from the ordering physicians, who would not have ordered the equipment if they knew the truth. Examples of these letters are attached hereto as composite **Exhibit 15**. In fact, these types of bogus communications to physicians were part of the impetus for the 2013 Congressional investigation into Med-Care's improper marketing

activities that was led by the U.S. Senate's "Committee On Homeland Security and Governmental Affairs (Subcommittee on Financial and Contracting Oversight)." Attached as **Exhibit 16** is a January 16, 2013, letter from Dr. Charlotte Kennedy to HHS-OIG (cc'd to U.S. Senators Claire McCaskill and Roy Blunt) cited during the Congressional investigation, which complained about Med-Care's marketing tactics ("Please be advised that every single one of these patients did not request and of these devices or products. There were cold calls to their homes and, in fact at one point, one patient was badgered several times over several days . . . .").

48. As a consequence of Med-Care's marketing tactics, Medicare beneficiaries would be shipped orders for DME from Med-Care that had been improperly solicited in the first instance and, in many cases, that the beneficiaries did not request, desire and/or need. More specifically, in addition to the improperly solicited DME orders, Med-Care also routinely sent and billed Medicare for DME that exceeded the beneficiary's needs in terms of quantity (e.g., Med-Care would sometimes send a diabetic patient far more diabetic testing strips than needed and/or ordered, and Med-Care would sometimes send excessive quantities of items such as albuterol that would expire before they could even be utilized by the beneficiary); Med-Care would send and bill Medicare for additional types of DME that the beneficiary had not requested and/or that was medically unnecessary (e.g., Med-Care would send a diabetic patient, in addition to diabetic testing supplies, a back brace, a nebulizer, a CPAP machine, etc.); and/or DME that the beneficiary specifically told Med-Care not to send. Ms. Bumbury is personally aware of beneficiaries complaining about the receipt of unwanted product. Examples of records confirming rejections of unwanted orders by beneficiaries are attached hereto as **Exhibit 17** and are discussed in Section VIII.

49. The telemarketers were paid, in addition to an hourly wage, a commission of between $2.50 and $10 per item sold. The telemarketers had a quota of 15 to 20 sales a week per telemarketer. Payroll records reflecting commission and other payments to the Defendants' employees and/or agents are attached hereto as **Exhibit 18**.

50. These quotas were generally met by the telemarketers in New York, and upon information and belief, the telemarketers in Florida regularly exceed this quota. Therefore, upon information and belief, Med-Care is originating 5,000 or more new orders a month. Attached as composite **Exhibit 19** are documents reflecting substantial Medicare billing by Med-Care, including one showing over $500,000 in Medicare claims during the fourth quarter of 2010.

51. The telemarketers in New York, NY, are paid through East End Associates. A copy of Ms. Bumbury's pay stub is attached hereto as **Exhibit 20**. The telemarketers in Boca Raton, FL, are paid through Med-Care.

52. Claims submitted by Med-Care to Medicare are false because they are generated through prohibited telephone solicitation.

53. Claims submitted by Med-Care to Medicare are false because a portion of the DME it provides to Medicare beneficiaries is not medically necessary.

54. Claims submitted by Med-Care to Medicare for some of the DME are false because the DME was not provided to and/or retained by the beneficiary. With respect to DME that was returned to Med-Care by the beneficiaries, Med-Care failed to voluntarily refund such payments to Medicare as required by Federal law.

55. Claims submitted by Med-Care to Medicare are false because they are generated in violation of the Medicare Anti-kickback Statute as a result of the DME having been offered to

Medicare beneficiaries at no cost to them (routine waiver of co-payments and deductibles) or are allegedly offered for "free," but then billed to the Medicare program.

56. The payments received for the above violations were also rendered false through Med-Care's failure to timely self-disclose and refund the payments it received within 60 days of Med-Care's awareness and identification of known overpayment(s) resulting from the above violations.

VII. U.S. Congressional Investigation of Med-Care Confirms Relator's Allegations

57. On April 5, 2013, three years subsequent to the filing of Relator's initial Complaint, U.S. Senator Claire McCaskill, Chairman of the Subcommittee on Financial and Contracting Oversight, and U.S. Senator Ron Johnson, Ranking Member, sent correspondence to Defendant Steve Silverman informing him of an upcoming hearing entitled, "Oversight and Business Practices of Durable Medical Equipment Companies." A copy of this letter is attached hereto as **Exhibit 21**. To assist with the upcoming hearing, the Senators requested that Dr. Silverman provide certain information including, among other things, Med-Care's "total revenue received from Medicare reimbursements each year from 2010 to 2012," as well as Med-Care's "total expenditures for advertising and direct marketing of company products to Medicare recipients for each year from 2010 to 2012." The letter noted that after receipt and review of this information, Dr. Silverman would learn whether he was going to be invited to testify at the hearing. Dr. Silverman refused to provide this information.

58. On April 12, 2013, Senator McCaskill and Senator Johnson sent a second letter to Dr. Silverman, this time inviting him to voluntarily testify at the upcoming hearing. A copy of this letter is attached hereto as **Exhibit 22.** As explained in the letter:

> The purpose of the hearing is to review payments by the Centers for Medicare & Medicaid Services (CMS) under Medicare Part B to suppliers of medical products such as diabetic testing equipment, CPAP machines, power mobility devices, and back braces, also known as durable medical equipment. The hearing will also examine the promotion and marketing of these types of products by durable medical equipment companies to patients and their doctors. The hearing will also assess CMS' oversight of durable medical equipment reimbursements under Medicare Part B, including its efforts to control costs and detect and prevent abusive practices and improper payments.
>
> Your testimony should address Med-Care Diabetic & Medical Supplies, Inc.'s sale and reimbursement of durable medical equipment to Medicare beneficiaries under Medicare Part B. Specifically, you should be prepared to discuss payments by CMS from 2010 through 2012, including any overpayments that have been identified by CMS for durable medical equipment. You should also be prepared to discuss the promotion and marketing of durable medical equipment to Medicare beneficiaries, including your compliance with applicable statutes and regulations. In addition, you should be prepared to answer questions regarding audits or closed investigations that relat[e] to the sale of durable medical equipment under Medicare Part B.

59. On April, 18, 2013, Senator McCaskill and Senator Johnson sent a third letter to Dr. Silverman advising him that the Subcommittee was issuing a subpoena for his testimony, in part because Dr. Silverman had refused to respond to the Subcommittee's repeated requests for information and because his "refusal to assist the Subcommittee is adversely affecting the Subcommittee's ability to conduct oversight." A copy of this letter is attached hereto as **Exhibit 23.**

60. On April 23, 2013, the Majority Staff published a "Memorandum" to the Members of the Subcommittee on Financial and Contracting Oversight regarding the hearing on "Oversight and Business Practices of Durable Medical Equipment." A copy of the Memorandum is attached hereto as **Exhibit 24.** The Memorandum incorporated information that was obtained from CMS and explained that, "The purpose of the hearing is to examine payments by the Centers for Medicare and Medicaid Services (CMS) under Medicare Part B to suppliers of

medical products such as diabetic testing equipment, CPAP machines, power mobility devices, also known as durable medical equipment. The hearing will also examine durable medical equipment suppliers' promotion and marketing of these types of products to patients and their doctors." *Id.*, p. 1. The Memorandum further explained that, "Durable medical equipment has proven to be an area ripe for fraud and improper payments. Medicare estimates for the last four years indicate that more than 60% of payments for durable medical equipment may be improper. In addition, durable medical equipment suppliers are among the most frequent subjects of criminal fraud prosecutions in Medicare, Medicaid, and the Children's Health Insurance Program." *Id.*, p. 4. The Memorandum also observed that, "Improper payments under Medicare represent a potentially huge loss to the taxpayer. From 2009 to 2012, Medicare paid more than $34 billion for durable medical equipment under Medicare Part B. Of that amount, more than $21 billion may have been improperly paid." *Id.* This means that almost two-thirds of the DME billed to Medicare may have been improperly paid.

61. Also pointed out in the Memorandum is that, "Telemarketing of durable medical equipment is an area of particular concern. The Office of Inspector General for the Department of Health and Human Services issued fraud warnings relating to telemarketing in 2003 and 2010." *Id.*, p. 7. Copies of these two HHS-OIG fraud warnings are attached hereto as composite **Exhibit 25.** Similarly, on June 13, 2012, the HHS-OIG issued a Final Report entitled, "Medicare Contractors Lacked Controls To Prevent Millions in Improper Payments for High Utilization Claims for Home Blood-Glucose Test Strips and Lancets." A copy of this report is attached hereto as **Exhibit 26**, which estimated that in connection with a review of claims at just four of its administrative contractors for CY 2007 that, "[t]he contractors improperly paid a total of approximately $209 million to [diabetic test strips and lancets] suppliers." *Id.* at p. 5.

62. With respect to Med-Care, the Majority Staff Memorandum **[Exhibit 24]** specifically observed the following:

(a) "Med-Care, a medical company based in Boca Raton, Florida, is a national supplier of durable medical equipment to Medicare beneficiaries. From 2009 to 2012, Med-Care received more than $84 million from Medicare for durable medical equipment. Over that time, period, Med-Care's annual payments increased by more than 270%, from $9.3 million in 2009 to $34.8 million in 2012." *Id.*, p. 8.

(b) "A sample of claims paid to Med-Care revealed that approximately 68% of Med-Care's claims were improper. CMS' regional Recovery Audit Contractor, a contractor charged with identifying and recovering improper payments and making fraud referrals, found that over 400 of the more than 590 Med-Care claims reviewed were improper and demanded than Med-Care return $146,689 in overpayments. If CMS were to determine that the same rate of error exists throughout Med-Care's claims, Med-Care could owe up to $57 million in overpayments to the federal government." *Id.*

(c) "Sample reviews of Med-Care claims by Medicare Administrative Contractors (MACs), contractors responsible for Medicare claims processing and payment reviews, have resulted in very high error rates. Since 2011, Noridian, one of several MACs working for CMS, has reviewed more than 3,300 claims by Med-Care and denied 62% to 99% of claims depending on the review. Another MAC, National Government Services, reviewed a sample of 1,202 Med-Care claims and denied payment for 1,186, or approximately 99%. A third MAC, National Heritage Insurance Company, reviewed 138 Med-Care claims for diabetic testing supplies since August 2012 and denied payment for 85%." *Id.*

63. On April 24, 2013, the Subcommittee met and heard testimony from: (1) Dr. Peter Budetti, Deputy Administrator and Director, Center for Program Integrity, CMS; (2) Laurence Wilson, Director, Chronic Care Policy Group, Center for Medicare, CMS; and (3) Charlene Stanley, Zone Program Integrity Contractor Operations Director, AdvanceMed Corporation. The hearing was continued until May 22, 2013. At the outset of the hearing, Senator McCaskill observed that, "Last year, the Federal Government spent nearly $9 billion on payments for medical equipment under Medicare Part B, and we are not even sure about that figure. CMS estimates that as much as 66 percent of this, almost $6 billion, may have been improperly paid to companies who submitted claims for equipment that was not medically necessary, was not properly justified, or was never even delivered. One significant concern is that the prevalent practice among some medical equipment companies is that they aggressively call, e-mail, and write Medicare beneficiaries to directly market their products." *Id.* at p. 3.

64. On May 22, 2013, Dr. Silverman, after being subpoenaed, appeared before the Subcommittee, along with the principal of a similar DME supplier, Jon Letko of U.S. Healthcare Supply, LLC. Mr. Letko declined to answer any questions, citing his Fifth Amendment privilege. Dr. Silverman did testify, however, and a transcript of his testimony is attached hereto as **Exhibit 27.** Dr. Silverman falsely testified under oath that Med-Care does not engage in illegal telemarketing, that it does not wrongfully acquire Medicare beneficiary information for use in marketing, and that it has the proper back-up "documentation" to justify each call it makes. *Id.* at p. 30.

65. As a result of, among other things, the Congressional investigation and Med-Care's prior interactions with CMS (including receipt of the Medicare DME supplier standards, CMS's suspension of Med-Care's provider number in 2012, and multiple audits by Medicare

contractors in 2011 and 2012), Med-Care was on specific notice of wrongfully received payments that were caused by its prohibited marketing activities. Despite being on notice that Med-Care had received millions of dollars in Medicare overpayments, and despite an affirmative legal obligation to voluntarily repay the overpayment, Med-Care failed to return those overpayments to CMS in direct violation of Federal law and the False Claims Act.

VIII. Specific False Claims Examples

66. All claims submitted by Med-Care in connection with the following Medicare beneficiaries were false claims because they were all the result of unsolicited telemarketing calls to Medicare beneficiaries by Med-Care in direct violation of Federal law, involved inducements prohibited by the AKS, were not rendered or retained by the Medicare beneficiary, were not medically necessary, and/or a combination thereof:

(a) Medicare beneficiary "K.W." of Cedar Rapids, Iowa 52404. Beginning in approximately February 2013, K.W. began receiving both unsolicited telemarketing phone calls and unsolicited DME from Med-Care. During the first unsolicited telemarketing call, a Med-Care telemarketer told K.W. that Med-Care was "Medicare approved" and that Med-Care could send her "free" diabetic testing supplies, an offer which K.W. accepted. K.W. thereafter began receiving numerous unsolicited calls from Med-Care offering a variety of DME items, including a new CPAP machine and nebulizer. K.W. stated that she specifically told the Med-Care telemarketer that she did not need or want a new CPAP or nebulizer because she already had one of each. Notwithstanding, in March 2013, Med-Care shipped a new CPAP and nebulizer to K.W., along with 675 doses of albuterol. With respect to the 675 doses of albuterol for her nebulizer, K.W.'s prescription only called for usage three times a day as needed. At three times a day, K.W. would only need 180 doses every three months (at maximum), and most of the stock

sent by Med-Care would have expired in the next three months. K.W. called Med-Care to complain and was told by Med-Care that she could "just keep" the items. K.W. nevertheless shipped the DME back to Med-Care and demanded to be reimbursed for her shipping expenses. Along with the shipment, K.W. included a completed "Customer Satisfaction Questionnaire" in which she complained about the recent receipt of "very heavy" packages containing a new CPAP and nebulizer that she had not requested. K.W. stated on the questionnaire that, "It will cost me an arm and a leg to return these because they are so heavy. SO, here's my deal – you reimburse me my postage OR I will turn you in for Medicare fraud. I do not need these and I told you that. You sent them anyway, so that is wasting of Medicare Money which costs us all. I will give you until May 1st to get a check to me or I will turn you in. If you think I am joking, you better think again." Med-Care paid K.W. for the shipping. Attached as composite **Exhibit 28** are K.W.'s questionnaire and an April 18, 2013, letter K.W. sent to Noridian Administrative Services (a CMS contractor) complaining of Med-Care's fraudulent conduct. The specific false claims include, but are not necessarily limited to, the following:

Claim Number	Date of Service	Item	Biller	Amount Charged	Medicare Paid	Wellmark BlueCross Paid (Medicare Supp.)
13060846588000	02/21/13	1.0 Pos airway press headgear (A7035-NUKX) NEW EQUIPMENT	Med-Care Diabetic	$50.00	$29.66	
13060846588000	02/21/13	1.0 Pos airway pressure tubing (A7037-NUKX) NEW EQUIPMENT	Med-Care Diabetic	$46.00	$30.62	
13060846588000	02/21/13	6.0 Pos airway pressure filter (A7038-NUKX) NEW EQUIPMENT	Med-Care Diabetic	$36.96	$24.19	

13060846588000	02/21/13	1.0 Filter, non disposable w/ pap (A7039-NUKX) NEW EQUIPMENT	Med-Care Diabetic	$15.64	$11.44	
13060846588000	02/21/13	1.0 CPAP full face mask (A7030-NUKX) NEW EQUIPMENT	Med-Care Diabetic	$226.37	$140.83	
05130776483600	02/21/13	Home Medical Equipment	Med-Care Diabetic	$226.37	$140.83	$35.21
05130776483600	02/21/13	Home Medical Equipment	Med-Care Diabetic	$195.00	$156.00	$39.00
05130776483600	02/21/13	Home Medical Equipment	Med-Care Diabetic	$50.00	$29.66	$7.42
05130776483600	02/21/13	Home Medical Equipment	Med-Care Diabetic	$46.00	$30.62	$7.65
05130776483600	02/21/13	Home Medical Equipment	Med-Care Diabetic	$36.96	$24.19	$6.05
05130776483600	02/21/13	Home Medical Equipment	Med-Care Diabetic	$15.64	$11.44	$2.86
13060846586000	02/23/13	6.0 Disposable nebulizer sml vol (A 7004-NU) NEW EQUIPMENT	Med-Care Diabetic	$60.00	$0.00	
13060846586000	02/23/13	6.0 Disposable compressor filter (A 7013-NU) NEW EQUIPMENT	Med-Care Diabetic	$12.00	$0.00	
13060846586000	02/23/13	3.0 Aerosol mask used w/ nebulizer (A 7015-NU) NEW EQUIPMENT	Med-Care Diabetic	$15.00	$0.00	
13060846586000	02/23/13	1.0 Nebulizer with compression (E0570-RRKH) Rental	Med-Care Diabetic	$30.00	$0.00	
13060846586000	02/23/13	675.0 Albuterol non-comp unit (J7613-KO)	Med-Care Diabetic	$1,012.50	$0.00	
13060846586000	02/23/13	1.0 Disp fee inhal drugs/90 days (Q0514)	Med-Care Diabetic	$66.00	$8.50	
13060846586000	02/23/13	6.0 Nebulizer administration set (A7003-NU) NEW EQUIPMENT	Med-Care Diabetic	$60.00	$0.00	
05130776483500	02/23/13	Home Injections	Med-Care Diabetic	$1,012.50	$0.00	$33.08
05130776483500	02/23/13	Home Medical Equipment	Med-Care	$60.00	$0.00	$17.82

			Diabetic			
05130776483500	02/23/13	Home Medical Equipment	Med-Care Diabetic	$60.00	$0.00	$11.76
05130776483500	02/23/13	Home Medical Equipment	Med-Care Diabetic	$15.00	$0.00	$6.12
05130776483500	02/23/13	Home Medical Equipment	Med-Care Diabetic	$12.00	$0.00	$5.40
05130776483500	02/23/13	Home Medical Care	Med-Care Diabetic	$66.00	$8.50	$57.50
05130776483500	02/23/13	Home Medical Equipment	Med-Care Diabetic	$30.00	$0.00	$17.44
05130806431900	03/01/13	Home Medical Equipment	Med-Care Diabetic	$450.00	$165.46	$41.36
05130806431900	03/01/13	Home Medical Equipment	Med-Care Diabetic	$200.00	$57.87	$14.47
05130806431900	03/01/13	Home Medical Equipment	Med-Care Diabetic	$96.00	$27.00	$6.75
1306584198400	03/01-05/31/13	3.0 Lancets per box (A4259-KLKX) DMEPOS ITEM DELIVERED VIA MAIL	Med-Care Diabetic	$96.00	$27.00	
1306584198400	03/01-05/31/13	1.0 Blood glucose monitor home (E0607-NUKX) NEW EQUIPMENT	Med-Care Diabetic	$200.00	$57.87	
05131016338400	03/23/13	Home Medical Equipment	Med-Care Diabetic	$30.00	$13.95	$3.49
13086858577000	03/23/13	1 Nebulizer, with compressor (E0570)	Med-Care Diabetic	$30.00	$13.95	
05131196348500	03/25/13	Home Medical Equipment	Med-Care Diabetic	$500.00	$224.88	$56.22
05131196348500	03/25/13	Home Medical Equipment	Med-Care Diabetic	$150.00	$83.40	$20.85
13102840342000	03/25/13	1 Humidifier, heated, used with positive airway pressure device (E0562)	Med-Care Diabetic	$500.00	$224.88	
13102840342000	03/25/13	1 Continuous airway pressure (cpap) device (E0601)	Med-Care Diabetic	$150.00	$83.40	

(b) Medicare beneficiary "K.M." of Salisbury, MO 65281. Beginning in approximately 2012 and continuing into 2013, K.M. received unsolicited telemarketing phone calls and unsolicited DME from Med-Care. K.M. agreed to accept the "free" DME from Med-Care. During at least one of these unsolicited calls, Med-Care telemarketers pronounced "Med-Care" like "Med-i-care." The Med-Care sales pitch also included the assertion that, "You don't have to pay for this." K.M. subsequently noticed that a bill for the "free" DME was submitted to both Medicare and her private insurer, which upset K.M. based on the representation that the DME was "free" and because K.M. never gave Med-Care her Medicare number. K.M. also learned that Med-Care called her personal physician (whose name she had not given to Med-Care) and falsely informed the physician that KM desired to switch to Med-Care as her DME supplier. The specific false claims include, but are not limited to, the following:

Claim Number	Date of Service	Item	Biller	Amount Charged	Medicare Paid	United of Omaha Paid (Medicare Supp.)
12303875963000	09/14-12/13/12	1.0 Calibrator solution/chips (A4256-KLKX) DMEPOS ITEM DELIVERED VIA MAIL	Med-Care Diabetic	$28.00	$7.90	
12303875963000	09/14/12	1.0 Lancet device each (A4258-KLKX) DMEPOS ITEM DELIVERED VIA MAIL	Med-Care Diabetic	$38.00	$0.00	
12303875963000	09/14/12	2.0 Alkalin batt for glucose mon (A4233-KLUNKX) DMEPOS ITEM DELIVERED VIA MAIL	Med-Care Diabetic	$5.00	$1.18	
12359861283000	12/14-03/13/13	1.0 Calibrator solution/chips (A4256-KLKX) DMEPOS ITEM DELIVERED VIA MAIL	Med-Care Diabetic	$28.00	$7.90	
12359861283000	12/14-03/13/13	3.0 Lancets per box (A4259-KLKX) DMEPOS	Med-Care Diabetic	$96.00	$26.78	

		ITEM DELIVERED VIA MAIL				
12359861283000	12/14-03/13/13	6.0 Blood glucose/reagent strips (A4253-KLNUKX) DMEPOS ITEM DELIVERED VIA MAIL	Med-Care Diabetic	$450.00	$145.49	
583720938500	12/14-03/13/13	1.0 Calibrator solution/chips (A4256-KLKX) DMEPOS ITEM DELIVERED VIA MAIL	Med-Care Diabetic	$28.00	$7.90	$1.97
583720938500	12/14-03/13/13	3.0 Lancets per box (A4259-KLKX) DMEPOS ITEM DELIVERED VIA MAIL	Med-Care Diabetic	$96.00	$26.78	$6.70
583720938500	12/14-03/13/13	6.0 Blood glucose/reagent strips (A4253-KLNUKX) DMEPOS ITEM DELIVERED VIA MAIL	Med-Care Diabetic	$450.00	$145.49	$36.37
13085831166000	03/22/13	1.0 Lancet device each (A4258-KLKX) DEMPOS ITEM DELIVERED VIA MAIL	Med-Care Diabetic	$38.00	$3.70	
13085831166000	03/22-06/21/13	3.0 Lancets per box (A4259-KLKX) DEMPOS ITEM DELIVERED VIA MAIL	Med-Care Diabetic	$96.00	$27.00	
13085831166000	03/22-06/21/13	6.0 Blood glucose/reagent strips (A4253-KLNUKX) DEMPOS DELIVERED VIA MAIL	Med-Care Diabetic	$450.00	$146.64	
13085831166000	03/22-06/21/13	1.0 Calibrator solution/chips (A4256-KLKX) DEMPOS ITEM DELIVERED VIA MAIL	Med-Care Diabetic	$28.00	$7.96	
13085831166000	03/22/13	2.0 Alkalin batt for glucose mon (A4233-KLUNKX) DEMPOS ITEM DELIVERED VIA MAIL	Med-Care Diabetic	$5.00	$0.00	
583871960800	03/22/13	1.0 Lancet device each (A4258-KLKX) DEMPOS ITEM DELIVERED VIA MAIL	Med-Care Diabetic	$38.00	$3.70	$12.85
583871960800	03/22-06/21/13	3.0 Lancets per box (A4259-KLKX) DEMPOS	Med-Care Diabetic	$96.00	$27.00	$6.75

		ITEM DELIVERED VIA MAIL				
583871960800	03/22-06/21/13	6.0 Blood glucose/reagent strips (A4253-KLNUKX) DEMPOS DELIVERED VIA MAIL	Med-Care Diabetic	$450.00	$146.64	$36.66
583871960800	03/22-06/21/13	1.0 Calibrator solution/chips (A4256-KLKX) DEMPOS ITEM DELIVERED VIA MAIL	Med-Care Diabetic	$28.00	$7.96	$1.99
583871960800	03/22/13	2.0 Alkalin batt for glucose mon (A4233-KLUNKX) DEMPOS ITEM DELIVERED VIA MAIL	Med-Care Diabetic	$5.00	$0.00	$1.50

(c) Medicare beneficiary "G.W." of Muskegon, MI 49941. G.W. has received many unsolicited packages from Med-Care containing diabetic testing supplies. G.W. called Med-Care and instructed them to not send her anything else unless she called them first. Med-Care has sent G.W. so many unnecessary items that G.W. has a "big bag full of stuff" that G.W. was considering giving away. Pictures of the unnecessary DME are attached hereto as **Exhibit 29.** Med-Care billed G.W.'s Medicare Advantage plan for the DME. The specific false claims include, but are not limited to, the following:

Claim Number	Date of Service	Item	Biller	Amount Charged	Amount Paid (Medicare Supp.)
59605043259622	03/09/13	Blood glucose test or reagent strips for home blood glucose (A4253)	Med-Care Diabetic	$600.00	$273.60
59605043259622	03/09/13	Lancets, per box of 100 (A4259)	Med-Care Diabetic	$128.00	$0.00
59605043259622	03/09/13	Normal, low and high calibrator solution/chips (A4256)	Med-Care Diabetic	$28.00	$10.30

(d) Medicare beneficiary "N.D." of Osceola, IN 46561. N.D. is disabled and diabetic. N.D. was solicited by phone by Med-Care without his request, which made N.D. upset. N.D. asked the Med-Care representative several times how they got N.D.'s name, phone number, and how they knew N.D. had diabetes because N.D. had not solicited Med-Care. The Med-Care telemarketer had difficulty answering N.D.'s questions and suggested that N.D.'s wife had made a request via computer, which was false. N.D. nevertheless agreed to receive the "free" items from Med-Care, and Med-Care has since that time sent him numerous diabetic testing supplies and a CPAP device. Med-Care has been supplying N.D. with DME for more than a year. The specific false claims are all claims submitted by Med-Care to Medicare in connection with DME supplied by Med-Care to N.D.

(e) Medicare beneficiary "B.C." of Matthews, NC 28105. B.C. is diabetic and received unsolicited telemarketing calls from Med-Care representatives, as well as unsolicited DME from Med-Care, which B.C. returned to Med-Care. B.C. did agree to receive the "free" diabetic testing supplies, but Med-Care began sending more supplies than B.C. needed and additional DME that B.C. never requested, such as COPD-related items. The normal sales pitch to B.C. included statements such as, "It's all free, you don't pay a penny." B.C. alerted her physician about her receipt of the unsolicited DME items and suspected that Med-Care was committing Medicare fraud. The specific false claims are all claims submitted by Med-Care to Medicare in connection with DME supplied by Med-Care to B.C.

(f) Medicare beneficiary "B.K." of Cleveland, TN 37323. B.K.'s relationship with Med-Care began with unsolicited telemarketing calls. B.K. accepted Med-Care's offer to provide her with "free" diabetic testing supplies, which Med-Care provided. B.K. often thereafter received more testing supplies than she needed and demanded on several occasions

that Med-Care stop sending her packages. Beginning approximately a year ago, on numerous occasions, B.K. would receive an unsolicited shipment of DME from Med-Care, which B.K. would send back to Med-Care, and that Med-Care would then turn around and send back to B.K. The specific false claims are all claims submitted by Med-Care to Medicare in connection with DME supplied by Med-Care to B.K.

(g) Medicare beneficiary "B.C." of Angleton, TX 77515. B.C.'s first contact with Med-Care was an unsolicited phone call from a Med-Care telemarketer who offered her "free" diabetic testing supplies. The telemarketer falsely told B.C. that Med-Care received her name and number from B.C.'s personal physician, who the telemarketer claimed had informed Med-Care that B.C. needed diabetic testing supplies. B.C. agreed to receive the testing supplies, which Med-Care provided. Following this initial shipment, B.C. received many unsolicited phone calls from Med-Care, as well as a second, unsolicited shipment of diabetic testing supplies that contained an excessive amount of supplies that she did not need. After receiving this second, large shipment B.C. called Med-Care to demand that they not send her anything else unless she requested it. B.C. saw billing records from "Texan Plus," her Medicare Advantage plan, associated with the Med-Care DME. The specific false claims are all claims submitted by Med-Care to Medicare in connection with DME supplied by Med-Care to B.C.

(h) Medicare beneficiary "C.B." of Payson, UT 84651. C.B. is diabetic and received unsolicited telemarketing calls from Med-Care and eventually accepted Med-Care's offer to provide her with "free" diabetic testing supplies. After the initial shipment, C.B. often received more testing supplies than she needed and asked Med-Care on several occasions to stop sending such a large quantity. The specific false claims are all claims submitted by Med-Care to Medicare in connection with DME supplied by Med-Care to C.B.

(i) Medicare beneficiary "J.P." of Pass Christian, MS 39571. J.P. has received many unsolicited packages from Med-Care containing diabetic testing supplies in 2012 and 2013. J.P. is homebound and has had her niece take them to the post office in town to send them all back. On one of the returned packages, the following note is written: "Please do not send this without my permission I'm reporting this to Medicare." The specific false claims are all claims submitted by Med-Care to Medicare in connection with DME supplied by Med-Care to J.P.

(j) Medicare beneficiary "S.B." of Sullivan, IL 61951. S.B. is diabetic and confirmed that she received unsolicited telemarketing calls from Med-Care in 2012 but refused Med-Care's offer to provide her with "free" diabetic testing supplies. Med-Care sent her diabetic testing supplies anyway, which S.B. returned. The specific false claims are all claims submitted by Med-Care to Medicare in connection with DME supplied by Med-Care to S.B.

(k) Medicare beneficiary "L.M." of Carthage, MO 64836. L.M. is diabetic and over the course of approximately a year, routinely received diabetic testing supplies from Med-Care that he never requested. The specific false claims are all claims submitted by Med-Care to Medicare in connection with DME supplied by Med-Care to L.M.

(l) Medicare beneficiary "J.G." of Lake Oswego, OR 97035. J.G. is diabetic and began his relationship with Med-Care through unsolicited calls from Med-Care representatives. Med-Care has also sent J.G. unsolicited DME, which he has generally returned to Med-Care unopened. Med-Care has specifically sent J.G. unneeded diabetic testing supplies that he had not asked for and did not need. J.G. recently called Med-Care and expressly told them, "Do not send me anything else unless I ask for it." The specific false claims are all claims submitted by Med-Care to Medicare in connection with DME supplied by Med-Care to J.G.

(m) Medicare beneficiary "S.M." of Woodridge, IL 60517. S.M.'s first contact with Med-Care was an unsolicited phone call from a Med-Care telemarketer in 2013 who offered S.M. "free" diabetic testing supplies. S.M. agreed to receive the testing supplies, which Med-Care provided. Med-Care thereafter started sending S.M. additional DME that S.M. did not request and did not want, including a CPAP machine for sleep apnea. S.M. specifically told the Med-Care telemarketer that she did not want or need a new CPAP device because she already had one, and that she returned the CPAP device to Med-Care. The specific false claims are all claims submitted by Med-Care to Medicare in connection with DME supplied by Med-Care to S.M.

(n) Medicare beneficiary "S.T." of Bedford, IN 47421. S.T. is diabetic, and her first contact with Med-Care was an unsolicited phone call from a Med-Care telemarketer who offered her "free" diabetic testing supplies in 2012. S.T. agreed to receive the testing supplies, which Med-Care provided. Med-Care also offered to provide S.T. with a new CPAP machine and related DME, which S.T. agreed to receive. The specific false claims are all claims submitted by Med-Care to Medicare in connection with DME supplied by Med-Care to S.T.

(o) Medicare beneficiary "L.E." of Imlay City, MI 48444. L.E., who is diabetic, has routinely received unsolicited DME from Med-Care, which he has generally returned to Med-Care unopened. Med-Care first began sending unsolicited boxes of DME to his residence "two or three years ago." L.E. observed that after he returned unsolicited DME to Med-Care, his Medicare billing summary notice showed that Med-Care had billed Medicare for those items anyway. L.E. called Medicare to complain about Med-Care. Med-Care also sent L.E. an unsolicited brace for L.E.'s back, despite the fact that L.E. did not have any back problems and

did not need it. The specific false claims are all claims submitted by Med-Care to Medicare in connection with DME supplied by Med-Care to L.E.

Count I
Violation of the False Claims Act
31 U.S.C. § 3729(a)(1)(A)
False Claims

67. Relator realleges and incorporates by reference the allegations made in Paragraphs 1 through 66 of this Amended Complaint.

68. This is a claim for treble damages and penalties under the False Claims Act, 31 U.S.C. § 3729 *et seq.*, as amended.

69. Through the acts described above and otherwise, Defendants and their agents and employees knowingly (or at least with reckless disregard to the truth or falsity thereof) submitted or caused to be submitted false claims to Medicare (under both Medicare Parts B and C) for payment by the United States from approximately 2004 to present.

70. The United States, Medicare, its fiscal intermediaries, and Medicare Advantage plans, unaware of the falsity of the records, statements, and claims made or submitted by Defendants and their agents and employees, paid and continue to pay Defendants for claims that would not be paid if the truth were known.

71. By reason of the Defendants' false records, statements, claims, and/or omissions, the United States and the Medicare program have been damaged in the amount of tens of millions of dollars in Medicare funds.

72. Thus, Defendants violated the False Claims Act, in that they knowingly presented and to caused to be presented false or fraudulent claims for payment or approval, in violation of 31 U.S.C. § 3729(a)(1)(A).

Count II
Violation of the False Claims Act
31 U.S.C. § 3729(a)(1)(B)
False Statements

73. Relator realleges and incorporates by reference the allegations made in Paragraphs 1 through 66 of this Amended Complaint.

74. This is a claim for treble damages and penalties under the False Claims Act, 31 U.S.C. § 3729 *et seq.*, as amended.

75. Through the acts described above and otherwise, Defendants and their agents and employees knowingly (or at least with reckless disregard to the truth or falsity thereof) made, used or caused to be made or used, false records or statements to get false or fraudulent claims paid or approved, in violation of 31 U.S.C. § 3729(a)(1)(B).

76. The United States, Medicare, its fiscal intermediaries, and Medicare Advantage plans, unaware of the falsity of the records, statements, and claims made or submitted by Defendants and their agents and employees, paid and continue to pay Defendants for claims that would not be paid if the truth were known.

77. By reason of the Defendants' false records, statements, claims, and/or omissions, the United States and the Medicare program have been damaged in the amount of tens of millions of dollars in Medicare funds.

78. Thus, Defendants violated the False Claims Act, in violation of 31 U.S.C. § 3729(a)(1)(B).

Count III
Violation of the False Claims Act
31 U.S.C. §3729(a)(1)(G)
Failure to Repay Overpayment

79. Relator realleges and incorporates by reference the allegations made in Paragraphs 1 through 66 of this Amended Complaint.

80. This is a claim for treble damages and penalties under the False Claims Act, 31 U.S.C. § 3729 *et seq.*, as amended.

81. Through the acts described above and otherwise, Defendants and their agents and employees knowingly and improperly failed to timely disclose and repay to Medicare payments Med-Care received for DME equipment that should not have been initially paid by Medicare. Med-Care had a legal obligation to disclose and refund to Medicare overpayments Med-Care received within 60 days of Med-Care becoming aware of the existence of the overpayment. By failing to timely voluntarily disclose and repay these identified overpayments, Med-Care concealed and avoided an obligation to pay or transmit money to the government in violation of the False Claims Act.

82. By reason of the Defendants' failure to repay Medicare overpayments, the United States and the Medicare program have been damaged in the amount of tens of millions of dollars.

83. Thus, Defendants violated the False Claims Act, in violation of 31 U.S.C. § 3729(a)(1)(G).

Count IV
False Claims Act Conspiracy
31 U.S.C. § 3729(a)(1)(C)

84. Relator realleges and incorporates by reference the allegations made in Paragraphs 1-66 of the Amended Complaint.

85. This is a claim for treble damages and for penalties under the False Claims Act, 31 U.S.C. § 3729 *et. seq.* as amended.

86. Through the acts described above and otherwise, Defendants entered into a conspiracy among themselves and with others to violate the False Claims Act by: 1) presenting or causing the presentation of false and fraudulent claims for payment or approved under the Medicare Program; 2) making and using, or causing the making or using, of false records or statements material to a false or fraudulent claim; and 3) concealing and avoiding an obligation to pay or transmit money to the United States. Defendants have taken substantial steps in furtherance of the conspiracy including, *inter alia*, making unsolicited phone calls to Medicare beneficiaries, by submitting false claims under the Medicare program for payment or approval, by violating the Medicare Anti-Kickback statute, by directing their agents, consultants, and personnel not to disclose and/or to conceal Defendants' fraudulent practices, and by failing to timely refund to Medicare the overpayments received by Med-Care as a result of the above described scheme.

87. The United States, Medicare, its fiscal intermediaries, and Medicare Advantage Plans, unaware of Defendants' conspiracy or the falsity of the records, statements and claims made by Defendants and their agents, employees and co-conspirators, and as a result thereof, have paid and continue to pay tens of millions of dollars in Medicare reimbursement that they would not otherwise have paid. Additionally, Med-Care has failed to repay tens of millions of dollars of overpayments that Med-Care was obligated to, but has failed to timely disclose and repay to Medicare.

88. By reason of Defendants' conspiracy and the acts taken in furtherance thereof, the United States has been damaged in the amount of tens of millions of dollars in Medicare funds.

89. Thus, Defendants violated the False Claims Act, in violation of 31 U.S.C. § 3729(a)(1)(C).

Prayer for Relief

WHEREFORE, Plaintiff/Relator prays for judgment against defendants as follows:

90. That Defendants cease and desist from violating 31 U.S.C. § 3729 *et seq.*;

91. That the Court enter judgment against defendants in an amount equal to three times the amount of damages the United States has sustained as a result of Defendants' actions, as well as a civil penalty against each defendant of $11,000 for each violation of 31 U.S.C. § 3729;

92. That Plaintiff/Relator be awarded the maximum amount allowed pursuant to § 3730(d) of the Civil False Claims Act;

93. That Plaintiff/Relator be awarded all costs and expenses of this action, including attorneys' fees; and

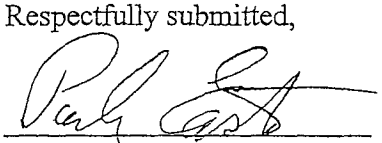
94. That the United States and Plaintiff/Relator receive all such other relief as the Court deems just and proper.

Jury Demand

Pursuant to Rule 38 of the Federal Rules of Civil Procedure, Plaintiff/Relator hereby demands trial by jury.

DATED: September 10, 2013

Respectfully submitted,



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